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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of California-American Water
Company (U210W) for Authorization to
Increase its Revenues for Water Service by
\$55,771,300 or 18.71% in the year 2024, by
\$19,565,300 or 5.50% in the year 2025, and by
\$19,892,400 or 5.30% in the year 2026.

Application 22-07-XXX

DIRECT TESTIMONY OF GARRY HOFER
(FINAL APPLICATION)

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Dated: July 1, 2022

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1 **BEFORE THE PUBLIC UTILITIES COMMISSION**
2 **OF THE STATE OF CALIFORNIA**

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6 its Revenues for Water Service by \$55,771,300 or
7 18.71% in the year 2024, by \$19,565,300 or
8 5.50% in the year 2025, and by \$19,892,400 or
9 5.30% in the year 2026.

Application 22-07-XXX

10 **DIRECT TESTIMONY OF GARRY HOFER**
11 **(FINAL APPLICATION)**

12 **I. INTRODUCTION**

13 Q1. Please provide your name and business address.

14 A1. My name is Garry M. Hofer. My business address is 8657 Grand Ave., Rosemead, CA
15 91770.

16 Q2. By whom are you employed and in what capacity?

17 A2. I am employed by California-American Water Company (“California American Water”
18 or the “Company”) as the Vice President of Operations.

19
20 Q3. What are your responsibilities?

21 A3. As Vice President of Operations, I am responsible for leading California American
22 Water’s operations, which include, Operations (production, distribution, field services),
23 Water Quality / Environmental Compliance and Operational Risk Management (safety).
24 I lead the team by providing goals and directions that strive to increase cost effectiveness,
25 performance, customer service and service quality.

26
27 Q4. Briefly describe your educational, professional and business background and experience.
28

1 A4. I hold a bachelor's degree in journalism, as well as water distribution and treatment level
2 2 certifications. I have 37 years' experience in the California water industry, including
3 both with wholesale and retail water agencies, public and investor-owned entities, and
4 groundwater and surface water providers.
5

6 Q5. Have you testified before any regulatory agencies?

7 A5. Yes, I have prepared direct and rebuttal testimony and appeared before this Commission
8 for California American Water in Application ("A.") 16-07-002, which was its 2016
9 general rate case ("GRC) application. I also submitted testimony in A.19-07-004,
10 California American Water's 2019 GRC application. Additionally, I have represented
11 the utility at various Commission Public Participation Hearings, as well as several
12 customer complaint-based hearings.
13

14 **II. PURPOSE OF TESTIMONY**

15 Q6. What is the purpose of your testimony?

16 A6. The purpose of my testimony is to provide an overview of California American Water's
17 operations in the Northern and Southern Divisions, and to discuss our commitment to
18 water quality and environment compliance, our commitment to safety, and our efforts to
19 improve water efficiency. I also support the Company's proposed staffing levels and
20 explain our compensation philosophy. In addition, I address new acquisition integration,
21 provide an update on our Advance Meter Infrastructure ("AMI") proposal, and address
22 other Special Requests. In addition to my testimony, please also refer to Sections III and
23 IV of the Direct Testimony of Christopher Cook for an overview of the Central Division
24 operations and items that pertain to the Central Division.
25
26
27
28

III. CALIFORNIA AMERICAN WATER OPERATIONS

Q7. As Vice President of Operations, are you generally familiar with California American Water's operations and the facilities and property that the Company uses to serve customers?

A7. Yes.

Q8. Please describe California American Water's operations.

A8. California American Water is divided into three Divisions: Northern, Central and Southern. Operations employees are responsible for everything from water quality to customer service.

A. NORTHERN DIVISION

Q9. Please describe California American Water's Northern Division.

A9. The Northern Division is comprised of four operating districts, known as the Sacramento, Larkfield, Meadowbrook and Hillview districts. The Sacramento District operates 11 separate water systems, Larkfield operates two systems, Meadowbrook operates one and Hillview operates four systems. In the Sacramento District, the 11 systems are the Dunnigan Water and Wastewater systems in Yolo County, West Placer in Placer County, Antelope, Lincoln Oaks, Arden, Suburban Rosemont, Security Park, Parkway, Walnut Grove, Isleton and Fruitridge Vista. The Larkfield District operates the Larkfield and Geyserville systems. The Meadowbrook District is one system. The Hillview District operates Oakhurst, Goldside, Coarsegold, and Raymond Systems.

1. New Acquisitions

Q10. Have there been new acquisitions in the Northern Division?

A10. Yes, California American Water acquired Fruitridge Vista Water Company in February 2020. Fruitridge Vista Water Company had approximately 4,800 service connections and was located in an unincorporated area of Sacramento County near our existing Parkway

1 system. At the time California American Water purchased the Fruitridge Vista Water
2 Company, approximately 3,176 customers were unmetered and 1,500 were
3 metered. Since acquiring the system, California American Water has installed more than
4 1,700 new and replacement meters in Fruitridge. California American Water's Fruitridge
5 metering program has three phases remaining as the Company works to attempt to fully
6 meter the system before Public Utilities Code Section 781's January 1, 2025 deadline for
7 fully metering the area. It must be noted, however, that current supply chain issues are
8 hampering the availability of necessary materials. If such supply chain issues continue,
9 they will undermine California American Water's ability to meet the mandated metering
10 deadline. If present constraints persist, they could pose a threat to meeting the deadline
11 and necessitate an extension of time for compliance.

12
13 Q11. Provide an example of how the acquisition benefits former Fruitridge Vista Water
14 Company customers.

15 A11. Former Fruitridge Vista Water Company Customers now have access to California
16 American Water conservation and customer service programs. Improvements to the
17 system are currently ongoing and include conversion of flat rate customers to metered
18 connections and replacements of mains and services within the system in efforts to
19 reduce water loss.

20
21 Q12. Have there been any other systems acquired since the last rate case cycle?

22 A12. Yes. Hillview Water Company in Madera County was acquired in June of 2020. Hillview
23 Water Company served approximately 1,500 services in four areas: Oakhurst, Goldside,
24 Coarsegold and Raymond.

25
26 Q13. Provide an example of how the acquisition benefits former Hillview Water Company
27 customers.

1 A13. Hillview Water Company Customers now have access to a number of expanded services.
2 California American Water's service includes two well-staffed customer service centers,
3 available translators, and access to contacts 24 hours-per-day in case of emergencies.
4 Web-based self-service, paperless billing, water efficiency materials and educational
5 information on wise water use. Free residential water audits can uncover excess usage of
6 which customers may not even be aware. California American Water's H2O or Help to
7 Others Program also provides Low Income Rate Assistance. In addition, economies of
8 scale benefits occur with regard to chemical purchasing, stock inventory pricing and
9 other quantity-related purchases.

10
11 Q14. What challenges did the Hillview acquisition present?

12 A14. Hillview Water Company was located approximately 180 miles from our Sacramento
13 County operations and 70 miles from our Meadowbrook operations in Merced County.
14 Onboarding new employees, converting office systems, and community and customer
15 interactions were all managed during the height of the COVID-19 pandemic.

16
17 Q15. What tools did California American Water use in completing the integration of Hillview
18 Water Company during the pandemic?

19 A15. Extensive use of video meetings, tracking of necessary travel and extension of temporary
20 COVID-19 benefits to employees as they cared for their health and the health of our
21 customers.

22
23 Q16. What challenges, unrelated to integrating the system during COVID-19, has California
24 American Water experienced with respect to Hillview?

25 A16. Public Safety Power Shutoffs ("PSPS") events and planning for continuity of service as
26 they occur. Creating engineering plans to construct treatment plants in Goldside and
27 Coarsegold to address iron and manganese water quality concerns. Although all services
28 in Hillview were metered at the time of acquisition, they were all manually read with

1 paper and pencil. Work is ongoing to convert these meters to cellular AMI though the
2 length of service programs.

3 4 **2. Water Supply**

5 **a) Sacramento District**

6 Q17. What is the source of supply for the Sacramento District?

7 A17. The source of supply for the Dunnigan water system is groundwater from two wells, one
8 treated for Hexavalent Chromium, the other a standby source. Development of an
9 additional source is currently underway in Dunnigan. Water from that source will also be
10 treated with the existing Hexavalent Chromium treatment plant. The source of supply for
11 the West Placer system is purchased water under agreement with Placer County Water
12 Agency. The source of supply for the Antelope system is groundwater from 17 wells,
13 some of which are treated for Hexavalent Chromium. The system also purchases water
14 under a wholesale agreement from Sacramento Suburban Water. The source of supply for
15 the Lincoln Oaks system is groundwater from 24 wells. The system also purchases water
16 under a wholesale agreement from Sacramento Suburban Water and has two permitted
17 interconnections with the Citrus Heights Water District. The source of supply for the
18 Arden system is groundwater from four wells. The system also purchases water under a
19 wholesale agreement with the City of Sacramento. The source of supply for the Suburban
20 Rosemont system is groundwater from 23 wells, some of which are treated for
21 Perfluorooctanoic acid ("PFOAs"), iron, manganese, and arsenic. The system also
22 purchases water under a wholesale agreement with the City of Sacramento and the
23 Sacramento County Water Agency at the Mather Tank location. The source of supply for
24 the Security Park system is groundwater from one well. The system also purchases
25 treated water under a wholesale agreement with the Sacramento County Water Agency.
26 The wholesale connection with Sacramento County Water Agency is intended to increase
27 in use as build-out occurs within the Security Park system. The source of supply for the
28 Parkway system is groundwater from 19 wells. Some of the well sources are pumped to

three treatment plants. Treatment is for arsenic, iron, and manganese. Other contaminants that are treated for at well sites in the Parkway system include hexavalent chromium, per- and polyfluoroalkyl substances (“PFAS”), as well as tetrachloroethylene (“PCE”). The system also purchases water under a wholesale agreement with the City of Sacramento. The source of supply for the Fruitridge system, acquired in 2020, is 13 wells with some of those sources being treated for iron, manganese, and arsenic. One of the wells is a standby. The system also purchases water under a wholesale agreement with the City of Sacramento. The source of supply for Walnut Grove is groundwater from two wells. Those well sources are treated for arsenic, iron, and manganese through a treatment plant. The source of supply for Isleton is groundwater from four wells. Two of these wells are located at an arsenic, iron and manganese removal plant and the others are standby sources.

b) Larkfield District

Q18. What is the source of supply for the Larkfield District?

A18. The source of supply for the Larkfield system is groundwater from four wells, all of which are pumped to a plant treating for arsenic and manganese removal. The system also purchases water under a wholesale water agreement with Sonoma County Water Agency through one metered connection. The source of supply for the Geyserville system is groundwater from two wells.

c) Meadowbrook District

Q19. What is the source of supply for the Meadowbrook District?

A19. The source of supply for the Meadowbrook system is groundwater from three wells.

d) Hillview District

Q20. What is the source of supply for the Hillview District?

A20. As mentioned above, Hillview is comprised of the Oakhurst, Goldside, Coursegold and Raymond systems. The source of supply for Oakhurst is groundwater from 20 wells. Seven of these wells are pumped to a treatment plant for iron, manganese removal and blending for total dissolved solids reduction. Another eight of the wells are pumped to a second plant for iron, manganese and uranium removal. The remaining wells are directly pumped to the system. The source of supply in Goldside is six wells, one of which is a standby source. The source of supply in the Coarsegold system is two wells. The source of supply for Raymond is five wells, all of which are pumped to a treatment plant for removal of iron, manganese, uranium and blending for nitrate reduction.

3. New and Emerging Water Quality Concerns

Q21. What new and emerging water quality concerns are occurring in the Northern Division operations areas?

A21. Detections of PFOA and PFOS, commonly referred to as PFAS, above the 5.1 parts per trillion for PFOA and 6.5 parts per trillion for PFOS have occurred in some sources in the Sacramento district wells. Hexavalent chromium detections have also occurred in some sources.

Q22. What actions has California American Water taken surrounding these concerns?

A22. California American Water has provided notification of the detections to all required parties. Some new sources have been developed within the areas impacted in efforts to limit need for treatment of the contaminants. Engineering teams strive to gain operational efficiencies where possible, an example of this is a new well source in the Dunnigan service area currently under development that is located at a site that will allow for it to be treated at the existing hexavalent chromium plant in that service area.

Q23. Have the acquisitions in the Northern Division added water quality requirements that California American Water is addressing due to regulatory mandates?

A23. The Hillview district systems of Coarsegold and Goldside each have iron levels above the Secondary Maximum Contaminant Levels (“MCL”). California American Water is currently planning, under capital programs, treatment plants to address this issue as directed by the State Water Resources Control Board Division of Drinking Water (“DDW”). Detections of PFAS have occurred in some wells in Fruitridge Vista. These sources are being reviewed to determine the best course of action.

4. Growth Assumptions

Q24. Are there growth areas in the Northern Division where California American Water has completed new studies in aid of determining long term growth patterns?

A24. Yes, new planning studies were completed. One was completed for the Larkfield District to consider, among other things, the impact to the service area due to the Tubbs Wildfire of October 2017. Another study was completed to, among other things, consider the West Placer and Security Park service areas to aid in determining how and when California American Water will need to purchase additional capacity from Placer County Water Agency as well as preparations for development of the Security Park service area.

Q25. What are the study’s conclusions?

A25. The study provided growth projections for undeveloped areas in the Northern Division. These projections, combined with communications from development groups, and data from County planning commissions, are used to aid California American Water in our projections for growth. The updates to the prior studies are intended to be used in assessing the prior growth projections and look for any new trends that have presented themselves due to the worldwide pandemic as well as other factors.

Q26. Were the findings of the study used in forecasting for this application?

A26. The studies were used to better understand projected growth in certain areas of the Northern Division, and the findings were included as a tool in the process of forecasting.

Please see Section II and Attachment 2 of the Direct Testimony of David Mitchell for further details on how the forecasting was done.

5. West Placer Service Area Source of Supply and Future Demand

Q27. Please provide a description of the West Placer service area source of supply.

A27. As noted above, the source of supply for the West Placer service area is provided by Placer County Water Agency under the terms of an Agreement between Placer County Water Agency and California American Water for Water Supply ("PCWA Agreement").

Q28. Are there restrictions in Placer County that explain why water from Placer County Water Agency is the only water California American Water uses to serve customers in this service area?

A28. Yes, there are such restrictions. Under the terms of the existing Franchise with Placer County, section 13.40.280 Water Source Restrictions, California American Water must comply with the water source requirements and conditions adopted by the county as applicable to the specific county general plan policy, community plan, or zoning for, or directly affecting, the property to be so served. Those source requirements restrict California American Water's use of groundwater to serve customers in this service area. As a result, the Company must rely on surface water provided by the Placer County Water Agency.

Q29. What is Placer County's General Plan Policy as it pertains to Water Supply and Delivery?

A29. Section 4.C.2 of the General Plan Policy requires that new urban and suburban development rely on public water systems using surface supply.

Q30. Describe the Maximum Delivery and Capacity Charges in the PCWA Agreement.

A30. The PCWA Agreement sets limits on the Maximum Day Demand. Those limits are based on Units of Capacity that are acquired by California American Water from the Placer

County Water Agency. These Units of Capacity are purchased as California American determines that additional capacity in Placer County Water Agency's system is required to support occurring growth/demand or as triggered by obligations in the PCWA Agreement.

Q31. What is the funding source for the Units of Capacity?

A31. California American Water's Schedule No. 15 imposes a special facilities fee for all new service connections in the West Placer service area. Schedule No. 15 also allows for purchase of capacity to meet the requirements of the PCWA Agreement.

Q32. Are there other limitations placed on California American Water in relation to delivery of water from Placer County Water Agency?

A32. Yes, there is a Maximum Delivery Rate. This is a maximum instantaneous rate of flow, in gallons per minute, that may be required by Placer County Water Agency to provide water.

Q33. Does the Maximum Delivery Rate present unique challenges to the development of the West Placer Service Area?

A33. Yes. The Maximum Delivery Rate requires considerable operational management. Use of water for construction build-out includes extensive land grading and dust control measures. Spikes in the flow rates can occur as developers use backflow protected hydrant meters to fill storage tanks and trucks necessary in completing the required work. This causes exceedance of the Maximum Delivery Rate. Unlike other water supply contracts, the Maximum Delivery Rate associated with the PCWA Agreement requires California American Water to obtain more Units of Capacity. Daily demands for the system have historically remained below the totals allowed under the Maximum Day Demand. The Maximum Delivery Rates imposed by Placer County Water Agency have, however, exceeded limits at times. As a result, to comply with Placer County Water

1 Agency's Maximum Delivery Rate, California American will need to hold Units of
2 Capacity well above the number need to meet the Maximum Day Demand.

3
4 Q34. Has Placer County Water Agency indicated limits to the available remaining capacity in
5 its systems?

6 A34. Placer County Water Agency provided to California American Water an annual letter
7 detailing Placer County Water Agency's remaining capacity. That remaining capacity is
8 based on Placer County Water Agency's overall usage per year. There is risk that
9 development in California American Water's West Placer service area, as well as other
10 increased demand from other areas in Placer County, will surpass Placer County Water
11 Agency's current capacity.

12
13 Q35. What steps has California American Water taken to manage existing water supply and
14 secure additional capacity because of current limitations on Placer County Water
15 Agency's remaining capacity?

16 A35. California American Water has reviewed our operations including SCADA control of
17 storage and pumping facilities, tightened control and oversight on the construction meter
18 usage in the area, and adjusted the timing for payment of the required fees from
19 developers to secure the Units of Capacity sooner in the construction process. California
20 American Water completed a purchase of 200 Units of Capacity in December of 2021.
21 This purchase was fully supported by developer contributions. Additionally, 350 Units of
22 Capacity were acquired in April of 2022. This purchase was completed as California
23 American Water received notice that it was over 80% of its allowed Maximum Day
24 Demand and in exceedance of the Maximum Delivery Rate under the PCWA Agreement.

25
26 Q36. What is the risk of California American Water not securing units of capacity in advance
27 of the West Placer service area development?
28

1 A36. If the remaining units of capacity are not secured by California American Water, there is
2 risk that supply will be unavailable and this will threaten development in the area.
3
4 Q37. What relief is California American Water seeking in this application with respect to its
5 investment in water supply capacity from PCWA?
6 A37. Please see Section IV of the Direct Testimony of Jeffrey T. Linam, regarding Special
7 Request No. 9 seeking clarification that the appropriate interest rate or carrying costs on
8 its investment in water supply capacity from Placer County Water Agency should be at the
9 Company's authorized rate of return. As discussed in more detail above and as noted in
10 Sections V and VI of the Direct Testimony of Ian Crooks, areas in California American
11 Water's West Placer service area may experience significant growth in the coming years.
12 To better understand that growth and the needs associated with it, California American
13 Water commissioned a growth study. California American Water has also worked
14 closely with Placer County Water Agency to increase California American Water's
15 system capacity and ensure compliance with California American Water's obligations
16 under the PCWA Agreement. This is critical to ensure that California American Water
17 has the supply to serve new customers. Given the importance of securing the water
18 supply for those customers in California American Water's existing service territory, it is
19 important that California American Water's investment be at its authorized rate of return.
20

21 **B. CENTRAL DIVISION**

22 **1. Overview**

23 Q38. Please describe the California American Water Central Division.

24 A38. Please refer to Sections III and IV of the Direct Testimony of Christopher Cook for items
25 related to the Central Division.
26
27
28

1 **C. SOUTHERN DIVISION**

2 **1. Overview**

3 Q39. Please describe the general organization of the Southern Division.

4 A39. The Southern Division is comprised of three operating districts, known as the Los
5 Angeles County, Ventura County and San Diego County Districts. Each district in turn
6 operates a number of separate water systems. In the Los Angeles County District, those
7 systems are the San Marino, Duarte and Baldwin Hills potable water systems. The
8 Ventura County District operates the Thousand Oaks, Las Posas and Rio Plaza potable
9 water systems. The San Diego County District operates a single potable water system,
10 which includes services to Coronado, Imperial Beach, a portion of San Diego and a
11 portion of Chula Vista.

12
13 **2. New Acquisitions**

14 Q40. Have there been new acquisitions in the Southern Division?

15 A40. Yes. In September 2021, California American Water acquired the East Pasadena Water
16 Company (“EPWC”). EPWC consists of approximately 3,000 service connections
17 located in an unincorporated portion of Los Angeles County very near the Los Angeles
18 District’s San Marino system, of which it has become a part. As part of the acquisition,
19 California American Water purchased water rights in both the Main and Raymond
20 groundwater basins.

21
22 Q41. How do these acquired water rights benefit California American Water customers?

23 A41. Due to contamination-related issues, EPWC has been unable to pump any of its water
24 rights within the Raymond Basin. Incidentally, Raymond Basin water supplies represent
25 the lowest-cost water available to customers in the Los Angeles District. As a result of
26 the acquisition, California American Water is able to pump EPWC’s Raymond Basin
27 rights water using its other active wells in the San Marino system, thus maximizing its
28 lowest-cost supplies. Without the ability to pump its Raymond Basin rights, EPWC

needed to pump beyond its water rights from the Main San Gabriel Basin, this scenario represented a higher water cost of about \$300,000 annually. Combining the companies allows for total production of all prescribed water rights in both the Main and Raymond basins.

Q42. Provide an example of how the acquisition benefits former EPWC customers.

A42. As a result of lost production, EPWC found itself faced with a DDW Compliance Order regarding its ability to meet peak day customer demand. Post-acquisition, California American Water is developing a systematic plan to remedy those supply issues and has communicated that strategy to DDW. Among other projects, that strategy includes adding water treatment to an existing well, relocating a planned well redrill into the former EPWC service area and potential water treatment. The Company is also looking into the option of physically connecting the EPWC system with the lower San Marino water system.

Q43. Have there been any other systems acquired since the last rate case cycle?

A43. Yes. California American Water acquired the Rio Plaza water system near the city of Oxnard. The Rio Plaza system currently serves about 520 customer connections with two active groundwater wells. Rio Plaza is now a part of California American Water's Ventura County District.

Q44. Provide an example of how the acquisition benefits former Rio Plaza customers.

A44. As with all newly acquired customers, Rio Plaza customers now have access to a number of expanded services. California American Water's service includes two well-staffed customer service centers, available translators, and access to contacts 24 hours-per-day in case of emergencies. Web-based self-service, paperless billing, water efficiency materials and educational information on wise water use. Free residential water audits can uncover excess usage of which customers may not even be aware. California American Water's

H2O or Help to Others Program also provides Low Income Rate Assistance. In addition, economies of scale benefits occur with regard to chemical purchasing, stock inventory pricing and other quantity-related purchases.

Q45. What are the operational challenges associated with Rio Plaza?

A45. There are three key challenges associated with the Rio Plaza system: age of its facilities; the lack of an emergency supply; and constituent levels.

Q46. How is California American Water dealing with these concerns?

A46. Tackling its aging wells, the Company rehabilitated one of Rio Plaza's groundwater wells. It also has engaged in discussions with a neighboring water provider with the goal of establishing an emergency water supply connection to protect against well failure. Finally, it is closely monitoring constituent levels in its groundwater and is prepared to add water treatment if needed.

3. Water Supply

Q47. What are the sources of water for each of the water systems in the Southern Division?

A47. The Los Angeles County District is comprised of three water systems: San Marino, Baldwin Hills and Duarte.

The sources of supply for the San Marino service area include imported, treated water and groundwater. California American Water purchases treated water from the City of San Marino, which is a Member Agency of the Metropolitan Water District of Southern California ("MWD"). The Company also purchases a small amount of treated water from the City of South Pasadena. Ten wells provide the groundwater. Seven wells pump water from the Main San Gabriel Basin aquifer. Three wells pump water from the Raymond Basin.

1 The Baldwin Hills service area also is supplied by imported, treated water and
2 groundwater. California American Water purchases treated water from the West Basin
3 Municipal Water District, a Member Agency of MWD. Groundwater is supplied from
4 two wells, outside the service area, that pump water from the Central Basin aquifer. Two
5 other wells in the system, Arlington and 48th Street, contain high levels of volatile
6 organic compounds (“VOCs”) and are temporarily off-line. A project to implement a
7 treatment method that uses granular activated carbon to bring the VOCs down below the
8 MCL and bring the wells back on-line is in the final stages of permitting and should be in
9 service very soon.

10
11 The Duarte service area is supplied entirely by groundwater from eight wells in the Main
12 San Gabriel Basin. A new well, funded by the City of Hope Medical Center for its
13 expansion, is nearing completion.

14
15 The San Diego County District system is supplied entirely by purchased, treated water
16 from the City of San Diego. The City of San Diego is a Member Agency of the San
17 Diego County Water Authority, which in turn is a Member Agency of MWD. The City
18 of San Diego also produces some of its water locally. California American Water’s
19 purchased water contract with the City of San Diego is based on an assumption of a
20 percentage of water from local sources.

21
22 The Ventura County District is made up of the Thousand Oaks, Las Posas and Rio Plaza
23 systems. The Thousand Oaks and Las Posas systems are supplied entirely by purchased
24 treated water from the Calleguas Municipal Water District, also a Member Agency of
25 MWD. The Rio Plaza system is served with groundwater from two wells acquired as part
26 of the Rio Plaza transaction.

1 **4. Water Production and Least-Cost Water**

2 Q48. Please describe the Main San Gabriel Basin water rights currently owned by California
3 American Water, as well as current customer demand.

4 A48. As mentioned above, California American Water is entitled to pump Main San Gabriel
5 Basin water for both its San Marino and Duarte water systems. In San Marino, the
6 Company was entitled to 4.03204 percent of the Basin's annual operating safe yield.
7 With the EPWC acquisition, that figure is now 4.74431 percent. In the Duarte system, the
8 Company is entitled to 1.84634 percent of that same operating safe yield. In addition, the
9 company owns 1,672 acre-feet of surface diversion rights in the Duarte system. Those
10 rights are not subject to the annual fluctuations of the operating safe yield.

11
12 That said, the financial impact on the pumpers begins with the fact that each pumper's
13 water right is a percentage of the operating safe yield as noted above. During wet years,
14 the operating safe yield has historically eclipsed 200,000 acre-feet, while in drought
15 years, such as the 2014-15 fiscal year, it was down to 150,000 acre-feet. Since the 2014-
16 15 fiscal year, the safe yield has remained at 150,000 acre-feet. At an operating safe yield
17 of 150,000 acre-feet, California American Water can pump 7,116 acre-feet in its San
18 Marino system and 4,442 acre-feet for its Duarte system. It also has rights for 1,959
19 acre-feet of water from the Raymond Basin in the San Marino system. For demand
20 beyond that, California American Water must pay a replenishment fee at a higher acre-
21 foot cost in order to meet customer demands. With the understanding that demand in the
22 San Marino and Duarte systems is approximately 16,000 to 18,000 acre-feet combined,
23 California American Water can expect to have to pay for 2,000 to 3,000 acre-feet of
24 replenishment water under the 150,000 acre-foot operating safe yield scenario.

25
26 Q49. Can the Operating Safe Yield be expected to remain at 150,000?

27 A49. It is hoped, and it is the plan of the Main San Gabriel Basin Watermaster, that the
28 fluctuations in the Operating Safe Yield can be minimized through efforts like the Cyclic

Storage Program, which allows for producers to pre-purchase supplies, at a discount, to be delivered into the groundwater basin. That said, much of the basin's health is dependent on local rainfall. To protect against the possibility of drought conditions, the Watermaster attempts to project outgoing Operating Safe Yields. While the current Operating Safe Yield is set at 150,000 acre-feet, projections for the next four years, through fiscal year 2025-26, are 130,000 acre-feet.

Q50. What are the challenges for California American Water to project an accurate estimate of annual water costs?

A50. In addition to changes in the Operating Safe Yield, which can significantly impact the cost of water, there are numerous operational complications that can shift the supply, and cost, of water to the Company's customers. For example, in the Baldwin Hills system, the delayed permitting of groundwater treatment has forced the Company to take higher-cost imported water for the last several years. In the San Marino system, the lowest-cost Raymond Basin supplies must pump into a single reservoir prior to delivery. Should that tank need to be taken out of service, the Company would be unable to make use of this most affordable supply. And, as mentioned earlier, in the case of the EPWC supplies, contamination rendered its most affordable source out of production.

5. Water Quality Challenges

Q51. What are the water quality concerns in the Southern California Division?

A51. Beginning in the Ventura County District, the newly acquired Rio Plaza system has groundwater with nitrate levels that appear to be trending upward. Staff is closely monitoring this trend, preparing for the possibility of a treatment system, and looking to develop an emergency connection with a neighboring water district.

In the Los Angeles County District, there are several constituents of concern. In the Baldwin Hills system, nitrate and trichloroethylene ("TCE") have forced the shutdown

1 of two of the four groundwater wells in that system. As reported in California American
2 Water's last GRC, A.19-07-004, the Arlington Well and the 48th Street Well in the
3 Baldwin Hills system have both been shut down due to elevated TCE. California
4 American Water is installing wellhead treatment on both wells and it is anticipated that
5 treatment will be complete and production from these wells will commence in 2022. The
6 rate at which the carbon filter media need to be replaced, however, significantly exceeded
7 the original project estimates and will result in substantial unexpected costs. These
8 additional costs are estimated at \$144,000 per year commencing in 2022. As mentioned
9 earlier in this section, it is hoped that treatment will be given the green light very soon. In
10 the San Marino system, several constituents, including perchlorate, nitrate and PCE have
11 impacted groundwater sources. And in the Duarte system, PFAS, though currently
12 unregulated, are a growing concern. The district is monitoring and addressing all these
13 concerns and is ensuring that the water it delivers to customers meets all state and federal
14 drinking water standards.

15
16 The San Diego County District is a purchased water system, and there are no specific
17 concerns with regards to regulated contaminants.

18 19 **6. Water Diversity**

20 Q52. Please describe the need for a more diverse water supply for California American
21 Water's Southern Division.

22 A52. The Southern Division of California American Water, which includes water systems in
23 Ventura, Los Angeles and San Diego counties, is heavily reliant on imported water, both
24 through the State Water Project and the Colorado River Aqueduct. Both of these supply
25 arteries carry water hundreds of miles into the Southland and are vulnerable to
26 earthquake-related outages. The State Water Project, which transports water from the
27 environmentally sensitive Sacramento-San Joaquin River Delta estuary (the "Delta"), is
28 especially vulnerable as precarious earthen levees are prone to failure. MWD estimates

1 that a major Delta earthquake could render the State Water Project out of service for up to
2 six months. Development of local, alternative supplies helps reduce disaster-related
3 water supply shortfalls.

4
5 Q53. Are there additional threats to imported water sources?

6 A53. Yes. In addition to the earthquake threat, imported supplies are vulnerable to endangered
7 species concerns and drought, both of which can limit water supply exportation. Again, a
8 local, diverse water supply portfolio reduces reliance on precarious, imported water
9 supplies.

10
11 Q54. What is California American Water's Southern Division's reliance on imported water
12 from the State Water Project and the Colorado River Aqueduct system?

13 A54. To varying degrees, the Southern Division is heavily reliant on imported water supplies
14 through the two above-mentioned projects. In Ventura County, that reliance is nearly
15 100 percent. In the San Diego County District, all water supplies are purchased from the
16 City of San Diego. Moreover, while there is a local supply component to San Diego's
17 supply, the majority of its supplies originate from the Colorado River Aqueduct system.
18 In the Los Angeles District, imported supplies comprise a lesser portion of the District's
19 supply mix. On average, about 10 to 15 percent of its supply is imported water. In
20 addition, imported water deliveries, when available, are used to replenish over-drafted
21 groundwater in the Main San Gabriel Basin.

22
23 Q55. How does the cost of imported water compare to local sources of water?

24 A55. Imported water is currently the highest-cost water used in the Southern Division.
25 Pumping locally held water rights—an option only in the Division's Los Angeles County
26 District—is always the first priority.

27
28 Q56. What drives up the cost of imported water supplies?

1 A56. Increased pumping energy costs, declining sales, environmental species concerns, capital
2 improvements such as storage and delivery systems, constituent detection levels and
3 increased regulation are among the reasons that imported water costs continue to rise.
4 Physical solutions, such as a proposed Delta remedy, would significantly add to the cost
5 of imported water, and litigation between southern water purveyors also plays into the
6 potential cost increases. The rising cost of imported water supplies is beyond the control
7 of California American Water.

8
9 Q57. What local alternative supply project options are available?

10 A57. There can be a wide range of options available to reduce local dependence on imported
11 water supplies. A small sampling of those options include: seawater or brackish water
12 desalination; sewage treatment for non-potable, indirect or direct reuse; water banking or
13 storage projects; and water rights augmentation acquisitions among others.

14 15 **7. Local Water Supply Diversification Projects**

16 Q58. Is California American Water, or the Southern California water community as a whole,
17 looking to further develop alternative water supply projects?

18 A58. Yes. In many ways, the logical solution to water diversity is a regional approach. In
19 Southern California, MWD, a supplemental water provider, also acts as the region's
20 water manager. In the LA area, MWD is moving forward with a large-scale project that
21 would take highly treated wastewater and deliver it to groundwater spreading basins in
22 the area. California American Water customers in the Los Angeles District would benefit
23 from this alternative source as one of the basins the project, currently known as the
24 Carson Project, would deliver water to the Main San Gabriel Basin, a source of water for
25 both the Duarte and the San Marino systems.

26
27 Q59. Is California American Water pursuing its own alternative supply projects?
28

1 A59. While the regional approach may ultimately be the most logical and cost-effective way to
2 develop alternative supplies, some areas do not have such regional projects in the works,
3 so California American Water is studying the possibility of its own, smaller projects.
4 Studies are being conducted in both the San Diego County and Ventura County districts
5 to explore such possibilities. Within these studies, both solely sponsored projects by
6 California American Water and some collaborative projects are considered. Please see
7 Section XVI of the Direct Testimony of Ian Crooks for further discussion on alternative
8 supplies.

9
10 **D. Water Supply Mix Challenges and Special Request No. 2**

11 Q60. What is California American Water requesting in Special Request #2?

12 A60. In Special Request #2, California American Water seeks Commission authorization to (1)
13 establish incremental cost balancing accounts (“ICBAs”) for its San Diego and Ventura
14 County districts and (2) establish full cost balancing accounts (“FCBAs”) for its other
15 districts. California American Water recommends that the transition from the current
16 modified cost balancing account (“MCBA”) to the ICBAs/FCBAs be implemented upon
17 the effective date of new rates established in this GRC.

18
19 Q61. Is there other testimony being provided by California American Water in this GRC in
20 connection with Special Request #2 for the establishment of ICBAs and FCBAs in the
21 districts specified?

22 A61. Yes, in his testimony, Mr. Linam explains the justification for the ICBAs and FCBAs in
23 the respective districts and outlines the proposed ratemaking basis for Special Request
24 #2. In his testimony, Mr. Christopher Cook addresses the challenges associated with
25 managing the water supply mix in the Monterey district, which justifies the establishment
26 of a FCBA for that district.

1 Q62. Please describe the challenges associated with managing the water supply mix in the Los
2 Angeles District.

3 A62. California American Water aspires to provide the least-cost-possible water to its
4 customers. In the Los Angeles District, this generally means maximizing lower-cost
5 groundwater prior to purchasing supplemental imported supplies. But managing the
6 supply mix can be challenging. For the Duarte water system, it is fairly straightforward.
7 The system has no imported water connections available, but the basin from which water
8 is drawn allows producers to pump water beyond their rights. (A premium is paid when
9 rights are exceeded.) In the Baldwin Hills system, the goal is to meet as much demand as
10 possible with water pumped from the Central Basin, with additional demand
11 supplemented with imported water purchased through the West Basin Municipal Water
12 District. The supply mix challenge in that system stems from a plume of volatile organic
13 compounds that have impacted groundwater production, rendering two of the system's
14 four wells out of service as they await treatment. In addition, a third well was inactive
15 due to mechanical reasons recently. While a treatment plant should allow the system to
16 increase its groundwater production, the Company remains concerned that the drifting
17 contamination plume could impact its other wells. Given these uncertainties, the supply
18 mix swing has been significant in the past and may continue to be in the future. The San
19 Marino system also suffers from contamination and mechanical challenges that can alter
20 the supply mix. For example, the two active Raymond Basin groundwater wells pump
21 water directly into a storage reservoir prior to delivery to customers. When that reservoir
22 needs to be taken out of service for repair—which it was recently—the system is unable
23 to pump any supplies from the Raymond Basin and needs to turn to higher-cost imported
24 water to make up the difference.

25
26 Q63. Please describe the challenges associated with managing the water supply mix in the
27 Sacramento District.
28

1 A63. The Sacramento District purchases water based on contracts with the City of Sacramento,
2 Sacramento County Water Agency, Sacramento Suburban Water District and Placer
3 County Water Agency. The City of Sacramento purchased water is used to allow
4 recovery of groundwater basins in the area as part of conjunctive use agreements. Water
5 quality and demand issues further complicate the supply mix. Purchases from this source
6 will begin to increase as development in that area increases. California American Water
7 also has an agreement with Sacramento Suburban Water District to help manage the
8 water resources in the Sacramento region. As discussed above, water purchased from
9 Placer County Water Agency is used solely in the West Placer service area. Purchased
10 water under these agreements is more costly than groundwater sources owned and
11 operated by California American Water. The benefit gained by using these sources, when
12 available, includes the responsible collective management of the area's groundwater
13 basis. The Sacramento region's work toward the Sustainable Groundwater Management
14 Goals ("SGMA") has been recognized as a model for groundwater management. Using
15 the purchased water sources may prevent the need for expensive alternatives should the
16 groundwater basins require additional management or fail altogether.

17
18 Q64. Please describe the challenges associated with managing the water supply mix in the
19 Larkfield District.

20 A64. Purchased water in the Larkfield District is provided by a contract with Sonoma Water.
21 The water provided is from one connection point with that agency. This is used primarily
22 to aid with the backwash demand from the district's treatment plant. It is also used,
23 however, as groundwater wells and pumps are maintained or rehabilitated. California
24 American Water attempts to use the most cost-efficient sources where possible. With
25 purchased water, sometimes at a higher production cost than our groundwater sources, we
26 can maintain and manage our groundwater sources and equipment to the benefit of the
27 ratepayers.
28

1 **IV. COMMITMENT TO WATER QUALITY AND ENVIRONMENTAL**
2 **COMPLIANCE**

3 **A. Overview**

4 Q65. What is the purpose of this section of your testimony?

5 A65. I will describe California American Water's commitment to water quality and
6 environmental compliance, including the actions the Company takes to ensure that it
7 meets water quality standards and complies with various environmental regulations.
8

9 Q66. Please describe California American Water's overall commitment to water quality and
10 environmental compliance.

11 A66. We are acutely aware that water is the only utility product intended for customers to
12 ingest, and that our customers rely on California American Water to provide them with
13 safe and reliable water services. Water quality is of paramount importance to the health
14 and well-being of our customers. Beyond health and safety, we know that California
15 American Water's customers are also interested in the aesthetic qualities of the water we
16 treat and deliver to them. We proactively look for ways to optimize treatment capabilities
17 to continue to improve the overall quality of drinking water delivered to our customers
18 and do so in a way that strives to create operational efficiencies that also benefit our
19 customers. The Company's Water Quality and Environmental Compliance program is
20 designed to ensure California American Water complies with drinking water quality,
21 water pollution, air pollution and hazardous materials laws and regulations.
22

23 Q67. What specific environmental laws or regulations affect California American Water?

24 A67. California American Water's operations are subject to 11 major state and federal public
25 health and environmental laws, the conformance with which is handled by its Water
26 Quality and Environmental Compliance team ("WQ/EC Team"). Those 11 major
27 regulatory schemes are: (1) the federal Safe Drinking Water Act and its implementing
28 regulations; (2) the California Safe Drinking Water Act and its implementing regulations;

(3) the federal Clean Water Act's National Pollutant Discharge Elimination System (NPDES) and Spill Prevention, Control and Countermeasures (SPCC) program; (4) California's Porter-Cologne Water Quality Act; (5) the federal Clean Air Act and implementing regulations; (6) California's Mulford-Carrell Air Resources Act, including local air quality management district rules and permits adopted pursuant to that Act; (6) the federal Resource Conservation and Recovery Act (RCRA) and its implementing regulations; (8) the California Hazardous Waste Control Act and its implementing regulations; (9) the federal Emergency Planning and Community Right-To-Know Act (EPCRA); (10) California's Hazardous Materials Release Response Plans and Inventory law; and (11) California and federal underground petroleum storage tank regulations. California American Water's operations are also subject to other environmental laws, such as the California and federal Endangered Species Acts, other provisions of California's Fish and Game and Water codes, as well as mitigation measures and other requirements imposed by the California Environmental Quality Act (CEQA) that are included in land use and other operating entitlements. The WQ/EC Team assists with the Company's compliance with the Endangered Species Acts, the Fish and Game and Water Codes, and CEQA.

Q68. Does meeting compliance with the federal law suffice for meeting compliance with California law?

A68. No, it does not. While there is some overlap between state programs and federal requirements, state and local statutes and regulations can be more restrictive. For example, California's methods for determining whether a waste is hazardous are more stringent than federal requirements. As a result, some of the arsenic treatment residuals generated by California American Water's compliance with the arsenic MCL are non-hazardous waste under federal law but are hazardous wastes under California's standards. In addition, California also regulates substances as hazardous waste that are not regulated under RCRA, such as asbestos, which is regulated only under the federal Clean Air Act at

1 the federal level but is included in California's hazardous waste regulations, adding
2 complexity and effort to disposing of asbestos-cement pipe. Another example in the
3 hazardous waste arena is that acid neutralization is not considered hazardous waste
4 treatment under RCRA but is under California hazardous waste regulations, complicating
5 tank cleaning and other maintenance operations. Beyond hazardous waste, California
6 has: (1) more stringent diesel vehicle regulations than the federal Clean Air Act; (2) more
7 stringent diesel backup generator requirements than federal regulations; (3) different
8 regulated drinking water contaminants and drinking water Public Health Goals (such as
9 hexavalent chromium and perchlorate); (4) lower threshold quantities for hazardous
10 materials and petroleum storage regulations; and (5) regulates wastewater system
11 discharges that go to land that might affect water, while the Clean Water Act only
12 regulates discharges that go to Waters of the United States. A significant amount of work
13 performed by the WQ/EC Team is ensuring that California American Water knows about
14 these more stringent requirements and then designing and implementing compliance
15 programs that minimize duplicative efforts while ensuring compliance with both the
16 federal and State requirements. While there is little duplication in reporting requirements
17 – typically a state agency is the primary enforcement agency for the major federal
18 environmental laws – the Company's operations are so pervasively regulated that it
19 prepares more than 2,200 reports or other regulatory filings annually to comply with the
20 11 different regulatory schemes outlined previously.

21
22 Q69. Please describe how California American Water manages compliance with applicable
23 environmental laws and regulations.

24 A69. The cornerstone of California American Water's Water Quality and Environmental
25 Compliance program are Environmental Management Plans ("EMPs"). EMPs are a
26 compliance matrix that identifies a regulatory requirement, specifies the person
27 responsible for ensuring California American Water complies with that requirement, and
28 contains information on the means the Company is using to comply. These are reviewed

1 each quarter to ensure the information remains current. The EMPs contain the
2 requirements for the 11 regulatory schemes outlined previously, including specific permit
3 conditions that regulators impose on individual equipment and facilities as well as
4 general regulatory requirements. Because the same requirement may apply differently to
5 a water or wastewater system based on the system's characteristics (for example, each
6 drinking water system might have a different number of required monthly bacteriological
7 water quality samples depending on the number of customer connections), many of the
8 44 water and wastewater systems have their own EMP that is used in conjunction with a
9 master EMP that covers general requirements applicable to all operations such as
10 hazardous waste manifest requirements.

11
12 Q70. How else does California American Water manage compliance with applicable water
13 quality laws and regulations?

14 A70. The Company uses a sampling and monitoring system ("SAMS") to schedule and track
15 the thousands of water quality sample collections and tests performed annually, to
16 generate automatic alerts when parameters are exceeded, to manage the data, and to
17 generate and track submission of the required regulatory reports. Field applications that
18 allow system operators to enter data in real time are in place in many locations and
19 continue to be implemented in those remaining. The WQ/EC team continues to enhance
20 the functionality of the software, identify and correct anomalies, and ensure consistent
21 implementation across all operations. This effort has been accelerated by the assignment
22 of a dedicated company-wide project manager to coordinate alignment and cohesion
23 amongst the operations, which had previously been implemented in somewhat different
24 forms and rates of progress by existing managers as a secondary responsibility. The
25 acquisition and implementation of this software has been instrumental in managing the
26 voluminous number of complex sampling schedules and test results, reducing human
27 errors, expediting report preparation, and ensuring compliance with water quality
28 regulations.

Q71. Is the Company seeking any additional resources to support its Water Quality and Environmental Compliance program?

A71. No. California American Water currently has adequate positions to effectively manage its water quality and environmental compliance programs, excepting the possible acquisition of additional water systems not currently known to be in process.

1. Water Quality

Q72. Please describe California American Water's water quality testing program under the Safe Drinking Water Act.

A72. California American Water routinely tests its water to determine if it is meeting the safety standards established by federal and state regulatory authorities. Drinking water is tested both before and after treatment to ensure that it satisfies all chemical and bacteriological criteria delivered to customers and to monitor the adequate functioning of treatment processes. Tests include those for the presence of Synthetic Organic Chemicals, Inorganic Chemicals, Volatile Organic Chemicals, Radionuclides, Lead and Copper, bacteria, and disinfection by-products at the frequency prescribed by federal and state regulations. Reports of the results of this testing are submitted to the DDW on a monthly, quarterly, and annual basis in accordance with the regulations. Water quality reports for each of California American Water's system are available on its website at <https://www.amwater.com/caaw/Water-Quality/Water-Quality-Reports/>. In addition, the Company participates in the federal Unregulated Contaminant Monitoring Rule program to collect data for contaminants that are suspected to be present in drinking water but do not yet have health-based standards set.

California American Water collects and analyzes more than 135,000 compliance and process water samples annually. Water Quality Specialists: (1) review regulatory documents and sampling history to determine the need and schedule for collecting specific samples; (2) coordinate with operators to verify wells and treatment plants are

1 available for sampling based on maintenance and seasonal operating conditions and then
2 reconcile availability to the regulatory schedule; (3) order sampling kits from laboratories
3 and prepare those kits for operators to use in the field; (4) track the collection of samples
4 by operators, the delivery of kits to laboratories, the analysis of the sample by the
5 laboratories, and the receipt of laboratory results; and (5) review laboratory results for
6 compliance issues and prepare the data for reporting and report to regulatory agencies.

7
8 Q73. Is water quality sampling the only task required to comply with the California and federal
9 Safe Drinking Water Acts?

10 A73. No. DDW also issues permits for each drinking water system, some of which contain
11 other conditions relating to the operation and recordkeeping for treatment plants and
12 other facilities. The WQ/EC Team, in coordination with operations, ensures compliance
13 with those requirements and prepares reports as needed. In addition, there are various
14 physical standards our facilities must meet. The WQ/EC Team routinely inspects
15 facilities to ensure these physical standards are being met and coordinates with DDW to
16 obtain regulatory approvals for the addition of new tanks, treatment plants and other
17 facilities, or variances from utility separation requirements for pipelines. The WQ/EC
18 Team is also responsible for the Cross Connection Control Program to avoid substances
19 of an unknown quality being introduced into the distribution system by conditions on our
20 customers' premises.

21
22 Q74. Please describe California American Water's program to comply with the National
23 Pollutant Discharge Elimination System ("NPDES").

24 A74. The WQ/EC Team oversees this program relating to discharges from our water systems
25 resulting from operations or capital projects that enter storm drains and eventually enter
26 rivers, streams or the Pacific Ocean. Functions include recording discharge data,
27 Regional Water Quality Control Board ("RWQCB") notifications and reporting; and
28 program Quality Control activities including representative annual monitoring of

1 discharges, operator training, and other information that the Company is required to
2 report.

3
4 Q75. Is the effluent from California American Water's wastewater operations regulated?

5 A75. Yes, effluent from our wastewater operations is regulated under California's Porter-
6 Cologne Water Quality Act and treated wastewater (effluent) is monitored prior to its
7 discharge. Through a combination of physical, chemical, and biological treatment
8 processes, the regulated constituents are removed or reduced, and then discharged as
9 either non-potable reuse (irrigation for landscaping, golf courses, parks, etc.) or land
10 disposal. We submit all monitoring results monthly to the applicable RWQCB. See also
11 Section IV of the Direct Testimony of Christopher Cook regarding permitting issues for
12 Monterey wastewater operations.

13
14 Q76. How else does California American Water demonstrate its commitment to water quality?

15 A76. The Water Quality and Environmental Compliance program also involves responding to
16 water quality complaints and inquiries. The WQ/EC Team monitors water quality
17 complaints and collaborates with operations staff to ensure customers receive a response.
18 Typically, discolored water complaints are handled by the operations staff. The WQ/EC
19 Team responds to customers purporting to feel ill due to consuming our water, detecting
20 foul taste or foul odors in the water, or with technical questions regarding water quality or
21 treatment. The Company takes all complaints and inquiries very seriously and, where
22 appropriate, conducts full investigations in a timely manner.

23
24 **2. Hazardous Waste and Materials**

25 Q77. You previously mentioned that California American Water generates hazardous waste.
26 Can you describe what California American Water is doing to comply with hazardous
27 waste laws?
28

1 A77. Yes. California American Water, as a byproduct of its operations, generates hazardous
2 wastes and those wastes need to be disposed of in accordance with California and/or
3 federal hazardous waste regulations. Those processes include: (1) properly characterizing
4 and tracing waste streams; (2) managing waste streams in accordance with waste storage
5 and disposal regulations; and (3) identifying and analyzing proposed changes in
6 operations or capital improvements to determine if there will be a change in the wastes
7 that are generated. Tasks supporting this program include regular laboratory testing of
8 water treatment residuals; monitoring processes for waste handling from tank and pond
9 cleaning events; having an asbestos consultant inspect and characterize asbestos-
10 containing wastes; overseeing practices relating to oil-containing wastes and Universal
11 Wastes, and running a robust training program to ensure that employees involved in
12 handling regulated wastes are trained as required by federal and State hazardous waste
13 regulations.

14
15 Q78. You also mentioned other hazardous materials regulations. How are those different from
16 hazardous waste regulations?

17 A78. California's Hazardous Materials Release Response Plans and Inventory law requires any
18 commercial facility that stores "reportable quantities" of hazardous materials to prepare
19 what is called a Hazardous Materials Business Plan ("HMBP"). A HMBP consolidates
20 information regarding: the inventory and quantity of hazardous materials stored, and a
21 description of the activities conducted at the facility, the local emergency response
22 agencies, an emergency response or contingency plan, an employee training plan, and a
23 facility map. These plans must be reviewed, and their correctness certified annually by
24 California American Water in the California Environmental Report System ("CERS"), an
25 online Statewide database, and changes in the reportable quantities or other aspects of the
26 plan must be uploaded to the database in the form of a revised plan within 30 days of any
27 changes. The WQ/EC Team leads California's compliance with these requirements in
28 coordination with operations staff to ensure that the facilities are inspected periodically to

determine if any changes have occurred and that the plans are re-certified annually.
California American Water has 197 HMBPs on file in the CERS system.

3. Air Quality

Q79. How does California American Water ensure compliance with the federal Clean Air Act as well as the California Mulford-Carrell Air Resources Act?

A79. Multiple aspects of California American Water's operations are regulated under the federal Clean Air Act and the Mulford-Carrell Air Resources Act. California American Water has 106 diesel backup generators, each with its own permit issued by the local air quality management district or air pollution control district. These permits consolidate requirements intended to control criteria pollutant emissions as well as toxic diesel particulate emissions from diesel-powered engines. Each engine has a limit on the hours of operation that vary based on the age of the engine, in addition to other limitations and maintenance requirements. In coordination with the water system operators, the WQ/EC Team collects, maintains and reports operating hours and maintenance activities as required by the permits and regulations and to ensure that hour limits are not exceeded.

The California Air Resources Board has five separate regulatory programs that apply to various vehicles the Company operates. The Periodic Smoke Inspection Program, the Public Agency and Utility regulation, and the Truck and Bus regulation all apply to diesel-powered vehicles that operate on public roadways. Many of the earthmoving vehicles the Company uses in various operations are subject to the In-Use Off-Road Diesel Fueled Fleets regulation. The Company also has forklifts that are regulated under the Large Spark Ignited Equipment regulation. In each of these cases, WQ/EC Team must monitor the inventory of vehicles against various engine and operating hour requirements for all operations within the State, recommend vehicle replacements based on regulatory requirements, and report annual usage and changes in the fleet inventory to the Air Resources Board.

1 In addition, there are two federal hazardous air pollution regulations – known as National
2 Emission Standards for Hazardous Air Pollutants or “NEHSAPs” that apply to our
3 operations. One is the Asbestos NESHAP that imposes requirements on the handling and
4 disposal of asbestos-containing materials, such as asbestos-cement pipe. The other is
5 Reciprocating Internal Combustion Engines or RICE NESHAP. This is a federal
6 regulation that imposes some additional requirements on our backup generators, in
7 addition to those imposed by California law.

8
9 Finally, some of our wastewater operations also have permits issued by the air quality
10 management districts because of their potential to emit odors or other criteria pollutants.

11
12 **V. COMMITMENT TO SAFETY**

13 **A. Overview**

14 Q80. What is the purpose of this section of your testimony?

15 A80. The purpose of this testimony is to provide the Commission with an understanding of the
16 day-to-day approach to providing a safe and secure workplace, including cyber security,
17 and responding to emergency situations as they arise. This testimony addresses health
18 and safety, emergency response and security as a fundamental part of California
19 American Water’s operations and values.

20
21 Q81. Please describe California American Water’s overall commitment to safety.

22 A81. Ensuring the health and safety of our employees and customers and protecting our
23 product is the top priority for our Company and is critical to our success. Our co-workers’
24 and customers’ safety is of vital importance, and we focus on it every day. Our
25 commitment is to ensure that every California American Water employee chooses safety
26 in every job, every day. Employee health and safety is the responsibility of every
27 California American Water employee, and to that end every employee strives for safety.

1 A safe workplace increases employee morale, increases our commitment to one another,
2 and in the long run makes for a more engaged and productive workforce.

3
4 With the safety of our employees, customers, contractors, and the public in mind, we
5 approach safety with a focus on continuous improvement by implementing a proven
6 safety management system (“SMS”). SMS is utilized in identifying plans, practices and
7 processes that complement and sustain a robust workplace safety program. In this way
8 we can ensure compliance with Cal-OSHA CCR Title 8 standards and encourage safe
9 behaviors in all aspects of the workplace.

10
11 California American Water is also committed to securing assets across our system and
12 recognizes the importance of protecting our water sources, treatment plants,
13 infrastructure, and data from malevolent acts, demonstrated by its robust security and
14 cyber security programs. In addition, the Company’s emergency response program
15 demonstrates the Company’s recognition that response and rapid recovery from security
16 incidents is critical in maintaining the water and wastewater systems.

17
18 Q82. Is safety relevant to operational performance?

19 A82. Yes. The Company considers safety to be a core value, as well as a strategy. We ask our
20 employees to place safety first in everything they do. We have a strong commitment to
21 our employees (and their families) to keep them, our customers and the public safe.

22
23 **B. California American Water’s Safety Approach, Plans and Programs**

24 Q83. What is the Safety Management System (SMS) approach?

25 A83. The California American Water SMS is a methodology for managing safety risk and
26 includes a systemic approach to managing safety, including supportive organizational
27 structures, accountabilities, policies and procedures.

1 In addition to site specific safety programs and Cal-OSHA procedures, American Water
2 has developed a comprehensive summation of OSHA standards as they apply to our
3 industry. This reference guide is invaluable in developing operational procedures to
4 comply with occupational safety standards.
5

6 Q84. Does California American Water maintain site-specific safety plans?

7 A84. Yes, site-specific Safety Plans are maintained as required by Cal-OSHA and identified as
8 determined by the project or task.
9

10 Q85. What is the Illness and Injury Prevention Plan?

11 A85. California American Water believes that everyone benefits from a safe and healthy work
12 environment. California American Water is committed to maintaining an injury and
13 illness free workplace and to complying with all applicable laws and regulations
14 governing workplace safety. To achieve this goal, California American Water has
15 adopted the Injury and Illness Prevention Program (“IIPP”) in accordance with Title 8
16 CCR section 3203. As part of the IIPP, California American Water relies on every
17 employee to identify and eliminate conditions and practices that could compromise our
18 safe and healthy work environment. The IIPP is a written plan that includes procedures
19 that are put into practice. The elements of the IIPP are:
20

- 21 1. Management commitment/assignment of responsibilities;
- 22 2. Safety communications system with employees;
- 23 3. System for ensuring employee compliance with safe work practices;
- 24 4. Scheduled inspections/evaluation system;
- 25 5. Accident investigation;
- 26 6. Procedures for correcting unsafe/unhealthy conditions;
- 27 7. Safety and health training and instruction;
- 28 8. Recordkeeping and documentation; and

1 9. Pandemic Response.

2
3 Q86. What innovative ways is California American Water promoting safety?

4 A86. California American Water has implemented the Near Miss, Stop Work, Certified Safe
5 Worker, Serious Injury or Fatality (SIF) and Unmanned Aerial System (UAS) programs
6 as part of an innovative behavior-based safety approach. See below for descriptions of
7 these programs. In addition, the following programs are managed by the Health and
8 Safety teams:

- 9
10 1. Post injury management program utilizing both telephonic (WorkCare) and on-
11 site medical evaluations (On Site Health and Safety) for non-emergency injuries.
12 In this way we can provide medical attention quickly and at the level needed.
13
14 2. Safety leadership training. This is a training series working with Power for
15 America (P4A) to promote leadership skills for front line workers that oversee
16 other employees.
17
18 3. Safety Week. A state-wide virtual and in person event presented twice a year in
19 fall and spring to promote OSHA required training; facility, vehicle and
20 equipment inspections; PPE; and other key safety programs.
21

22 Q87. What is the Company's Near Miss Program?

23 A87. In 2015, California American Water, as part of an American Water initiative, began an
24 enhanced method of online near miss reporting. A near miss is an event or condition that
25 did not result in injury, illness or damage, but could have. By reporting and investigating
26 near misses, it allows us to learn from near accidents instead of real accidents.
27 Additionally, information is gained about what accidents can happen and how to adjust
28 the safety program to prevent them. This program is part of the Company's commitment

1 to proactive processes that focus on prevention rather than reaction to injuries or
2 accidents. Every near miss reported goes through an analysis that helps identify cause and
3 prevent the situation from happening again. Because this program is across American
4 Water, it allows the Company to identify and share the findings on a national level.

5
6 The reporting of near misses is a no-fault system. There have been and will be no
7 disciplinary actions associated with near miss reporting. This will continue to build trust
8 and benefit our safety culture.

9
10 The 2021 target was to develop corrective actions for 95 percent of near misses within 30
11 days. The actual result was 99 percent resolution within 30 days for 161 near misses that
12 were reported. Corrective actions ranged from completing repairs or replacement of
13 equipment and tools, purchasing proper PPE, raising awareness of dog bite prevention
14 strategies, stopping work in unsafe excavations, electrical and arc flash safety, proper
15 housekeeping, removal and elimination of trip hazards, addition of warning signs,
16 removal of insects and raised awareness of insect hazards, vehicle safety, installation of
17 proper pipe material and pumps to eliminate chemical hazards, better lighting, and raised
18 awareness of road and work zone hazards.

19
20 Q88. What is the Stop Work Authority?

21 A88. In the event of a serious safety issue, employees are empowered to “Stop Work” and
22 make sure no one else will be exposed to hazards that could cause injury. The back of
23 each employee’s badge reminds them of their Stop Work authority, which, of course,
24 comes without repercussions.

25
26 Q89. What is the Certified Safe Worker program?

27 A89. Certified Safe Worker is a program where employees certify they have completed or
28 demonstrated six safety actions in areas such as completing all OSHA required training,

1 health screenings, CPR/First Aid training, other safety training, pre-job stretching,
2 stopping an unsafe job, submitting safety improvement suggestions and/or practicing
3 safety at home. More than 98% of our employees earned their designation as a Certified
4 Safe Worker in 2020 and more than 93% of employees earned that designation in 2021.
5

6 Q90. What is the Company's Serious Injury or Fatality ("SIF") Program?

7 A90. The SIF program was launched in 2019 to identify the top exposures that our employees
8 may encounter that could cause a serious injury or fatality. California American Water's
9 Operational Risk Management, External Affairs, Operations and Executive Leadership
10 took on the challenge of identifying the jobs and tasks that have the potential for a SIF.
11 Ten SIF precursors were identified as were mitigation techniques, processes and
12 corrective actions that would eliminate or otherwise reduce the exposures. Strategies
13 were communicated with a SIF program launch, posters, field handbooks and integration
14 into training programs.
15

16 Q91. What is an Unmanned Aerial System ("UAS") program?

17 A91. In August 2019, a small team from Operational Risk Management, Engineering and
18 External Affairs piloted several drones to assess the feasibility of reducing SIF exposures,
19 assisting with emergency response and other operational tasks. Since then, the UAS
20 program has grown to include twelve FAA certified UAS pilots, five professional drones,
21 and has run a multitude of missions including tank inspections (eliminating exposure to
22 heights over 4 feet), analysis of main break damage in extreme terrain, due diligence in
23 new acquisitions, and development of safety training videos. Enterprise-wide systems
24 such as Site Scan, Skyview and DroneLogbook are used by pilots to track flights and
25 store mission data. DroneLogbook allows pilots to request mission approval, track
26 flights, record incidents, track equipment, and identify hazards preflight and during flight.
27 Skyview is a system to house photos of assets (such as water tanks) and can use AI
28

1 technology to assess condition. SiteScan is an ESRI product used for mapping and 3-D
2 modeling.

3
4 Q92. How does California American Water investigate injuries to help prevent future
5 incidents?

6 A92. For incident investigations, California American Water utilizes a “5-Why” investigation
7 process coupled with an enterprise-wide online tool called TapRoot® for more significant
8 incidents. TapRoot is a systematic process for identifying root causes of safety incidents.
9 The 5-why investigations must be completed within 72 hours for every injury no matter
10 how minor, vehicle incidents, and selected near misses. A TapRoot must be completed
11 within seven days for all OSHA recordable injuries and SIF (serious injury/fatality)
12 potential incidents. TapRoot is also used to investigate and identify the root causes of
13 major accidents, everyday incidents, minor near-misses, quality issues, human errors,
14 maintenance problems, productivity issues, manufacturing mistakes, and environmental
15 releases. The systematic TapRoot process is based on in-depth human factors and
16 equipment reliability research. It is designed to help investigators maintain objectivity
17 during their investigation.

18
19 The results of these investigations are then considered by the business to evaluate the
20 incident and determine what safety process improvements may be appropriate going
21 forward. American Water also maintains a security hotline that can be used to report a
22 safety near miss or safety/security incident, request security system service, report or
23 request an identification badge or report an operational event. Typically, near misses are
24 submitted online through a link on MySource to the Perspectives platform. The
25 Perspectives platform is used to generate reports and ensure corrective action follow up
26

27 **C. Safety Training**

28 Q93. Does California American Water provide safety-related training to its employees?

1 A93. Yes. A robust safety training program helps reduce injuries and accidents, allowing the
2 company to remain in compliance and enhance the safety culture. It is vital that everyone
3 in the workplace is properly trained in identifying hazards and how to manage hazards
4 when they are exposed to them. This includes supervisors, managers, contractors, part-
5 time and temporary workers. Training is varied and includes weekly safety talks, tailgate
6 talks, biannual safety refreshers and initial training and equipment or task-specific
7 training.

8
9 Trainees are given tests as well as Job Safety Observations in the field to evaluate the
10 effectiveness in order to identify the program's strengths and weaknesses and provide a
11 basis for future program changes. All training records are kept to ensure that everyone
12 who should get training does.

13
14 Q94. Is certain safety training required?

15 A94. Yes. Required training is determined by Cal-OSHA and specific safety training is
16 determined by the unique needs of the field location.

17
18 **D. Additional Methods of Supporting a Safety Culture**

19 Q95. How else does California American Water support its safety programs?

20 A95. The Company's safety program is further supported by the implementation of Job Safety
21 Analyses and Job Safety Observations, safety inspections and audits, Health and Safety
22 Committees, Safety Awareness and Recognition Programs and contractor safety
23 initiatives.

24
25 Q96. What are Job Safety Analyses and Job Safety Observations?

26 A96. A Job Safety Analysis ("JSA") is a procedure that helps integrate accepted safety and
27 health principles and practices into a particular task or job operation. In a JSA, each basic
28 step of the job is reviewed to identify potential hazards and to recommend the safest way

1 to do the job. A JSA is usually performed by the supervisor and the affected employees
2 for specific tasks that are performed as part of an employee's work activities. The end
3 result of a JSA is a Safe Job Procedure. JSAs are integrated with Job Safety Observation
4 (“JSO”) procedures to test the JSA and the employee’s understanding of performing the
5 task safely.

6
7 Q97. What are safety inspections and audits?

8 A97. Each location is responsible for safety inspections, including vehicles and workplace. In
9 2017 California American Water implemented the InspectAll safety inspection program.
10 Issues are prioritized and presented to the Health and Safety Committee for corrective
11 actions and resolution. In 2021, 97 inspections were performed. Since its implementation,
12 547 safety issues have been identified and resolved in InspectAll.

13
14 In addition, the California American Water safety team performs periodic workplace
15 inspections and job safety observations. More comprehensive audits are performed at one
16 or more facilities annually.

17
18 Q98. What is the Health and Safety Committee Responsible for?

19 A98. Each District maintains a Health and Safety Committee (“HSC”). Each committee has the
20 responsibility to: Hold monthly HSC meetings; conduct inspections at a time and in a
21 manner they consider in the best interest of the health and safety program; maintain an
22 orderly system of receiving and issuing “Safety Recommendations,” inspection reports,
23 and minutes of their meetings to appropriate management; track health and safety issues
24 brought to the HSC and document resolution; and comply with the American Water HSC
25 Policy.

26
27 The HSCs for each location are responsible for identifying safety milestones and
28 recognition. Safety “Splash” Awards are presented to exemplary employees that display

1 a true safety sense. In addition, some employees may be recognized by the California
2 American Water safety team for outstanding workplace safety.

3
4 Q99. How do you promote safety with your contractors?

5 A99. California American Water utilizes internal and external inspectors to help ensure our
6 contractors are complying with all regulations and maintaining safe work environments.
7 Our inspectors have extensive safety backgrounds and have been selected based on their
8 safety expertise as well as their engineering knowledge. In addition, all contractors'
9 employees must complete an online safety orientation video and quiz.

10
11 ISN is a safety prequalification program utilized by California American Water for all
12 contractors. Contractors must register with ISN and provide their safety documentation.
13 ISN, with the oversight of California American Water safety professionals, ensures
14 contractors have all required programs and practices in place. Contractor safety includes
15 everything from paperwork in the contractor's office to performance in the field. The
16 ISN system helps manage California American Water's risk and our contractors'
17 performance by: having an ISN representative verify the contractors' data; centralizing
18 contractor data into an easy-to-use, online database; providing contractor statistics on
19 health, safety and environmental issues; giving contractors a personalized customer
20 service representative to answer their questions and assist them through the process; and
21 validating that regulatory forms and statistics are submitted properly and accurately.

22 23 **E. Security and Cybersecurity**

24 Q100. What is California American Water doing to address physical security?

25 A100. California American Water takes a comprehensive approach to addressing security.
26 Physical security consists of cameras, badge readers and cyber keys that monitor
27 situations and are programmed to limit access to secure areas, including offices, shops,
28 well sites, treatment and pump and lift stations. California American Water uses

standards from the American Water Works Association (“AWWA”) and the American Society for Industrial Security. The Company has strategically placed cameras at critical infrastructure, (e.g., tank and well sites) and secure work locations (e.g., offices and shops). Cameras are connected to a secure line that provides video output to the Integrated Operations Center and key California American Water personnel.

Identification badges are issued for the purpose of facility access control at California American Water. It is the policy of California American Water that access to all company-owned and leased property is limited to authorized persons in the conduct of official activities as approved by the facility security coordinator or local management authority. All employees must wear and openly display the identification badge visibly while on any California American Water property, or while on California American Water business or while representing the Company publicly or privately. Unauthorized entries are registered as an alarm that is received by the Integrated Operations Center for evaluation and response.

CyberLock® systems is integrated at one of the largest districts in California. Keys and locks are programmable with access permissions for each key holder. CyberKey smart keys serve as the gatekeeper for the CyberLock system. In addition, they provide the power needed to energize the CyberLock cylinder. Each key contains a specific list of authorized locks and schedules of when they may be accessed. For example, a key can be programmed to allow access to one set of locks from 8 a.m. to 6 p.m. on weekdays and to another set of locks only from 10 a.m. to 4 p.m. on weekends. Keys presented outside of these schedules are denied access.

Keys can be assigned a start date and an expiration date. This means keys can be issued before they become active and can be set to expire at a specific time in the future. Key

holders must reauthorize keys before access is granted again. Setting short-term expiration dates is an excellent way to minimize risk due to lost or stolen keys.

Q101. How is cybersecurity being addressed?

A101. Cybersecurity technology solutions are vital to reliable and resilient water systems. For that reason, cybersecurity is core to the American Water vision of resiliency and sustainability. As we continue to implement intelligent water and wastewater systems, we ensure that industry-leading cyber controls are designed, built and integrated into all aspects of the technology. These controls protect our existing systems and enable the implementation of secure innovation. Enhancing the customer experience while safeguarding the integrity of company information and systems is our security mission.

The Company's cybersecurity program is consistent with industry best practices, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the AWWA Process Control System Security Guidance for the Water Sector.

F. Emergency Response

Q102. Provide an overview of the emergency response program.

A102. Emergency response and recovery is a critical aspect in the operation of water and wastewater systems. California American Water maintains response plans, agency and industry emergency contacts and attends public and industry specific conferences on emergency response and preparedness in order to sustain a broad coverage in an emergency. Integration of the various responders, communications and flow of information during an emergency or natural disaster is critical. California American Water follows the National Incident Management System and Incident Command System ("ICS") protocols and procedures.

1 California American Water has also adopted the standards set forth in Public Utilities
2 Code PUC § 768.6 requiring all Commission regulated water companies to “develop,
3 adopt and update and emergency disaster preparedness plan in compliance with the
4 standards established by the commission.” California American Water complies with
5 PUC § 768.6 and updates each district Emergency Response Plan annually. California
6 American Water intends to comply with D.21-05-019, which was issued in Rulemaking
7 (“R.”) 15-06-009, when it next updates its Emergency Response Plans. See Section V of
8 the Direct Testimony of Jeffrey T. Linam for additional details on R.15-06-009.
9

10 Q103. How does California American Water prepare for emergencies?

11 A103. California American Water has established a business continuity framework, bringing
12 functional and operational teams together for the purpose of reducing risk and enhancing
13 resiliency. As part of the framework, the Company adopted the nationally recognized
14 ICS, which enables unified emergency response and close, effective coordination with
15 emergency management in the communities we serve.
16

17 Each California American Water district maintains an emergency response plan that is
18 reviewed annually. The emergency response plan includes: mutual aid information and
19 procedures; system descriptions; critical system components; event management process;
20 security; incident command system; plan development, maintenance and training; action
21 plans for all emergency scenarios; emergency contact lists; emergency equipment lists;
22 sampling protocol; other site-specific data.
23

24 Emergency responses drills are conducted periodically and include earthquake, wildfire,
25 natural disaster and environmental spills. Drills are coordinated by operations and include
26 on-site mock drills, tabletop exercises and after-action reporting.
27
28

1 Q104. How did California American Water take safety into consideration in its response to the
2 COVID-19 emergency?

3 A104. In early 2020, California American Water established a Pandemic Response plan to
4 address the regulations and activities necessary to prevent the spread of COVID-19 in the
5 workplace including: establishing and communicating safety protocols, contact tracing,
6 maintaining compliance with county and state mandates and adherence to Cal OSHA
7 Emergency Temporary Standards and CDPH guidance.

8
9 California American Water also implemented social distancing measures and instructed
10 employees who could perform their jobs remotely to work from home for the safety of its
11 employees and customers. In addition to providing our field employees performing
12 essential work with appropriate personal protective equipment, we also took measures to
13 limit their interaction, including but not limited to:

- 14
- 15 • Conducting virtual safety meetings
- 16 • Staggering shift start times
- 17 • Having only one employee per vehicle
- 18 • Pausing two-person jobs, such as large meter changes and valve exercising
- 19 • Allowing workers to temporarily take work vehicles home
- 20

21 We also required all employees to report personal domestic travel in addition to
22 international travel to a safety hotline to assess whether self-quarantine measures were
23 warranted. Overall, the pandemic imposed significant challenges to our ability to operate
24 and maintain our water and wastewater systems and our Company and its employees rose
25 to that challenge.

26
27 Q105. How does the American Water Operations Security team and IOC support the
28 Company's security programs?

1 A105. American Water Operations Security supports the business in the overall management of
2 physical and cyber security systems at facilities across the country. This includes
3 developing procedures, guidelines and training related to our security systems and
4 processes. Operations Security also conducts internal security reviews and partners with
5 the federal Department of Homeland Security (“DHS”) on external security assessments,
6 using the results to develop improvement initiatives and further enhance security controls
7 of company assets and systems. In addition, the Operations Security team provides
8 technical support and guidance to identify potential security vulnerabilities and develop
9 appropriate solutions. A dedicated security specialist, located in the Sacramento office,
10 manages day-to-day security response as well as capital improvements.

11
12 Staffed 24 hours a day, seven days a week, the IOC is central to our security program.
13 The IOC monitors security cameras, alarms and incoming calls. In addition, they have
14 access to the CyberLock system and can view lock and key activity. The IOC also
15 monitors American Water security and technology systems; continuously tracks weather
16 alerts, security threats and intelligence; and serves as a key collaboration point for
17 operations, leadership and functional teams.

18
19 The IOC also reviews safety or security situation reports that are entered online through
20 the security portal. It can also be used to report safety near-miss activities, safety or
21 injury incidents, and security incidents. The IOC also has an event information hotline
22 that is used to provide key information about facility closing and other information when
23 an event has been declared (e.g., hurricane, earthquakes).

24
25 The Company also has access to Operational Security and the IOC to assist in the
26 response and recovery from an emergency event and restore service as quickly as
27 possible.
28

1 Q106. What other tools does California American Water use to support its safety and security
2 programs?

3 A106. California American Water uses MSDS Online, Samba, InspectAll and MapCall to
4 enhance its safety programs and tracking.

5
6 Q107. What is MSDS Online?

7 A107. MSDS Online allows California American Water to manage Safety Data Sheet
8 Compliance using an online system. The system combines access to an industry-leading
9 database of manufacturer-original safety data sheets with easy-to-use management and
10 companywide safety data sheet deployment tools that manage the company's chemical
11 inventory and ensure compliance with global hazard communication requirements.
12 Knowing what chemicals the company has, where they are, and how to properly handle
13 them goes a long way toward ensuring a safe, productive work environment.

14
15 Q108. What is Samba?

16 A108. Samba is a driver record tracking program. California American Water receives motor
17 vehicle records (MVRs) from SambaSafety for any person operating company vehicles.
18 MVRs are decoded for quick review of each state's violation codes. SambaSafety is a
19 Driver Risk Management solution and has access to all 50 state DMVs. Samba complies
20 with the State of California Employer Pull Notice program, which is a requirement for all
21 employees with a commercial driver's license. The MRVs are reviewed by human
22 resources and ORM to ensure California American Water drivers are driving safely and
23 reporting violations or accidents promptly.

24
25 Q109. What is the InspectAll System?

26 A109. The InspectAll system is an online, third party hosted inspection system that can be
27 loaded on mobile devices (such as smart phones) or computers. Safety issues can be
28 identified and uploaded to the system, including photos which can be drawn on to

1 identify specific issues. The InspectAll system allows ORM to build inspection forms for
2 rapid documentation of items found during safety inspections. ORM can create
3 recommendations and workflows to correct safety issues, as well as maintain records for
4 tracking and compliance purposes. Safety personnel will then work with operations staff
5 to collaborate on corrective actions and standardize processes that mitigate hazards and
6 build a strong safety culture. All districts in California are using this system for safety-
7 lead and peer-to-peer inspections.

8
9 Q110. What is the MapCall System?

10 A110. The MapCall system is an online, work order system that is utilized in all districts in
11 California. In addition to work orders, pre-job briefings, job safety checklists, job safety
12 observations, confined space permits and lock out tag out forms can be completed for the
13 job tasks. COVID-19 cases and outcomes are also tracked within the MapCall system.

14
15 **G. Public Safety Power Shutoff Preparedness**

16 Q111. What is the threat of Public Safety Power Shutoffs (“PSPS”) to California American
17 Water?

18 A111. The threat of PSPSs event to California American Water varies. Company facilities
19 located in areas of the state that typically experience hot, dry, windy weather events
20 known as “Santa Ana” or “Diablo” winds are under increased threat of PSPS shutoff.
21 This is because these weather events, combined with other factors such as fire, fuel
22 moisture content are used by electric utility weather professionals to determine when to
23 implement public safety power shutoffs. California American Water has identified and
24 taken steps to minimize or mitigate the impacts of power outage to these facilities.

25
26 Q112. How does California American Water stay up to speed on impending PSPS events?

27 A112. California American Water has engaged with our electric utility partners to register all
28 electric services to receive advance notification of impending PSPS outage events. If a

1 facility is in the scope of a pending PSPS event, the company receives notification
2 beginning 2-3 days ahead of time. This allows company personnel the time needed to
3 take necessary actions to protect facilities and help ensure the ability to continue
4 providing water service to customers.
5

6 Q113. How does California American Water prevent system interruptions during PSPS events?

7 A113. Beginning in late 2019, the company established the PSPS Resiliency Program with the
8 goal of identifying and improving the protection of facilities potentially vulnerable to the
9 impacts of power outages and/or wildfire, and to educate and train employees who live
10 and work in areas of increased risk of wildfire. Some of the benefits of the program
11 include on-going monitoring and removal of excess vegetation from all remote sites,
12 active and planned diesel generator installation projects, as well as active and planned
13 battery energy storage system installation projects at facilities critical to company
14 operations.
15

16 Q114. Has California American Water endured expenses preparing for PSPS events?

17 A114. Yes. Beyond enhanced brush-clearing to reduce fire risk, since 2020, in anticipation of
18 the “PSPS season,” the Company has pre-positioned portable power generation units in
19 locations where PSPS events are expected. In addition, The Company has made some
20 physical system changes to lessen the impact of PSPSs. Additional information regarding
21 the acquisition of additional generators can be found in Section XI of the Direct
22 Testimony of Ian Crooks.
23

24 **H. Safety Program Benefits**

25 Q115. How do the safety programs benefit employees?

26 A115. Employees receive direct benefits from strong safety, security and emergency response
27 programs. Training provides the employee with the ability to identify hazards; and
28 incident and reporting processes allow employees to report and assist in identifying root

1 cause and causal factors so actions can be taken to prevent accidents from occurring. A
2 safe workplace increases employee morale, increases our commitment to one another,
3 and in the long run, makes for a more engaged and productive workforce.
4

5 Q116. How do safety programs benefit customers?

6 A116. Customers benefit because the Company, through strong health and safety programs, has
7 enhanced productivity and decreased absenteeism. This means that crews operate with a
8 full staff and can fix problems quicker, reducing any service down time to the customer.
9 In addition, a strong safety culture also reduces safety-related incidents, resulting in lower
10 insurance and workers compensation costs that mitigate rate increases.
11

12 Q117. How do safety programs provide an overall public benefit?

13 A117. The public benefits from California American Water's safety and security programs
14 because we provide a safe product and safe services – water and wastewater. Our safe
15 operations and compliance to occupational safety regulations provide the public with the
16 confidence that California American Water operates in a safe and secure manner. In
17 addition, California American Water crews operate daily in public areas and must protect
18 their worksites from hazards as well as prevent the public from exposure to these hazards.
19

20 **VI. OPERATIONS EFFICIENCY AND MAINTENANCE**

21 Q118. How does California American Water gain efficiencies from its relationship with
22 American Water?

23 A118. As a subsidiary of American Water, California American Water has available to it the
24 resources of the Service Company, which provides access to highly trained professionals
25 who possess expertise in various specialized areas and who work exclusively for
26 American Water's subsidiaries. Not only does California American Water benefit from
27 getting these services and expertise at cost, through the size and breadth of American
28 Water, California American Water has continued to increase its purchasing power to

1 obtain discounts on the necessary equipment needed to manage and maintain our
2 system—including pipes, fittings, and water treatment chemicals—that we otherwise
3 would be unable to obtain were we a separately owned water system. In addition, the
4 Company’s ongoing investment in technology enables a better end-to-end view of its
5 water and wastewater business.

6
7 **A. System Maintenance**

8 Q119. Please describe the key components of California American Water’s system maintenance
9 activities.

10 A119. Keeping abreast of system maintenance is the hallmark of a healthy water distribution
11 system. Among its core activities, California American Water staff diligently completes
12 annual maintenance programs, including length of service meter replacements, fire
13 hydrant maintenance and valve exercising programs. These programs help us ensure that
14 our assets are performing as expected, so that we can continue to provide the high
15 quality, reliable service our customers have come to expect. In 2021, the Company
16 replaced 7,849 meters, maintained 3,236 fire hydrants and exercised 9,359 isolation
17 valves.

18
19 Q120. What is the guiding document used to establish maintenance program targets?

20 A120. General Order 103-A, “Rules Governing Water Service, Including Minimum Standards
21 for Operation, Maintenance, Design and Construction” is the principal document that
22 establishes maintenance program goals.

23
24 Q121. Is California American Water meeting its operational obligations of General Order 103-
25 A?

26 A121. Yes. The Company regularly completes an exercise to validate that it complies with GO
27 103-A. A spreadsheet was developed to literally comb every sentence of the order and
28

1 affirm compliance. The result of the exercise is that the Company is compliant with the
2 requirements of GO 103-A.

3
4 Q122. What other maintenance programs support the Company's efficient operation of its
5 system?

6 A122. California American Water completes a number of programs designed to keep its water
7 system operating efficiently. Pipeline replacement programs, described throughout the
8 Direct Testimony of Ian Crooks, water flushing programs and the Condition-Based
9 Maintenance Program are among them.

10
11 Q123. Please explain the Condition-Based Maintenance Program.

12 A123. California American Water employs a Condition-Based Maintenance Program on a
13 rotating basis at facilities where electrical equipment is used. This equipment includes
14 pumps, motors and electrical panels. In addition to visual, mechanical and audible
15 inspections, a host of other in-depth inspections are performed. For example, thermal
16 imaging tests are performed to determine excessive heat on electrical equipment like
17 motors, electrical panels, transformers and safety switches. Ultrasound tests provide a
18 means of identifying defects in panels prior to opening them. Vibration inspections are
19 performed to determine deflection in a pump shaft, which is an indicator of a potentially
20 damaged pump or motor bearings. Motor and pump alignment inspections also are
21 performed.

22
23 The Condition-Based Maintenance Program also includes electrical tests to determine
24 proper operation of disconnects, breakers, fuses, contactors, voltage/protective equipment
25 devices, etc.

1 After the inspections are performed, a report is generated that categorizes severe or
2 critical issues for immediate attention, as well as less severe issues for lower
3 prioritization.
4

5 Q124. How do California American Water's system maintenance efforts encourage operational
6 efficiency?

7 A124. System maintenance helps reduce failures and unexpected repairs, which are disruptive
8 and expensive to correct. One of the byproducts of an adequately maintained system is
9 less unexpected failures, which rarely occur at convenient times and, again, are costly to
10 repair.
11

12 **B. Water Loss**

13 Q125. Please describe California American Water's program to reduce water loss.

14 A125. Reducing water loss is a very complex issue with many contributing factors.

15 Unaccounted for water ("UFW") can be defined in a variety of ways across the industry.
16 Non-revenue water ("NRW"), however, is consistently calculated by subtracting the
17 number of gallons of water sold from the number of gallons produced. To avoid any
18 ambiguity, California American Water, based in part on guidance from the AWWA,
19 measures its reduction in water loss in terms of NRW rather than UFW.
20

21 California American Water works hard, and has programs in place, to maintain its low
22 NRW across the state. Understanding that billing lag and other variables can skew the
23 NRW calculation, the Company uses a rolling 12-month average to normalize NRW for
24 evaluation purposes. California American Water's 12-month rolling NRW at the end of
25 2021 was 9.37 percent.
26

27 Q126. Are there reasons that California American Water's NRW would be higher than a prior
28 year?

1 A126. Yes. The water systems that California American Water acquires are generally in some
2 form of disrepair and have had gaps in both maintenance and infrastructure replacement.
3 As a result, these systems don't operate as efficiently as they should. One of the
4 byproducts of systems that lack maintenance and investments is that a larger percentage
5 of water is lost in the system.

6
7 Q127. Are there other reasons that add to potential fluctuations in water loss?

8 A127. Yes. Notably in Northern California, there still are unmetered water systems. Upon
9 acquisition, it can be difficult to calculate system loss. When California American Water
10 acquires unmetered systems, it develops a capital plan to transition these customers to
11 metered connections. This both gives a true indication of system loss, as well as driving
12 water conservation.

13
14 Q128. For acquired systems that are already metered, what efforts does California American
15 Water take to reduce water lost in the systems?

16 A128. Replacement of both old meters and water mains go a long way toward reduction of
17 system loss. Of course, these efforts can be costly and must be phased in over time.

18
19 Q129. Are there occasions where NRW improvements can occur more quickly?

20 A129. Yes. Occasionally, after acquisition, system analysis and modification can realize
21 significant improvement in water loss without large capital expense. An example lies in
22 California American Water Northern Division where the Geyserville system saw a
23 significant reduction in water loss in a very short time period, from 29.02 percent in 2019
24 to 15.85 percent in 2021. This improvement was due to plumbing modifications to a
25 groundwater well facility.

26
27 Q130. For existing systems, how does California American Water plan to continue to maintain
28 or improve its NRW levels?

1 A130. Given the already low average NRW, continued reduction can be challenging and costly.
2 That said, the Company, through its Condition-Based Assessment, which identifies
3 stretches of pipeline that have endured repeated leaks and is discussed in Sections III, X,
4 XI and XV of the Direct Testimony of Ian Crooks, will continue to systematically and
5 strategically replace vulnerable water main.

6 7 **VII. EMPLOYEE LEVELS AND COMPENSATION**

8 **A. Forecasted Staffing Levels**

9 Q131. Please describe how California American Water staffs its business operations.

10 A131. We recognize our duty to staff our business in a manner consistent with the provision of
11 safe, reliable and affordable service. This requires a constant evaluation of the right mix
12 of internal and contract labor, straight time versus overtime, training programs, and
13 replacing labor with technology. We continue to evaluate costs and expenses going
14 forward, always looking for the best solution for the unique and changing challenges we
15 face and strive to find improvements in the way we operate and maintain our business.

16
17 Q132. What staffing level did the Commission approve in the Company's last rate case?

18 A132. In D.21-11-018, the Commission did not adopt a specific staffing level. Instead, the
19 Commission adopted the Company's forecasted labor expense removing the nine
20 positions that were vacant at the time of the GRC filing.

21
22 Q133. What additional staffing is California American Water requesting in this case?

23 A133. California American Water is requesting 18 additional positions. Of the 18 positions,
24 California American Water already hired 3 of these positions ("Hired Positions"). The
25 Hired Positions are identified in Table 1 below. The Hired Positions were all brought on
26 board after the filing of the last general rate case (A.19-07-004). As explained in further
27 detail in Attachment B, each of these hires was reasonable and necessary to provide safe
28 and reliable service to our customers following the acquisition of East Pasadena.

Table 1. Hired Positions		
Business Function	Position	FTE
Los Angeles (East Pasadena) Ops	Utility Worker I	2
Los Angeles (East Pasadena) Ops	Customer Service Representative	1
Total Hired Positions		3

The remaining 15 requested positions are positions California American Water intends to hire going forward (“Future Hire Positions”) in order to meet forecasted needs and provide safe and reliable service in a way that best serves the long-term interests of our customers. The Future Hire Positions are identified in Table 2 below. Five of the Future Hire Positions are connected to the pending acquisitions of Bass Lake (three positions), Warring (one position) and Hillview (one position).¹ The remaining ten Future Hire Positions will support California American Water’s operations in the areas of safety, regulatory compliance, engineering, customer service, and the day-to-day work of ensuring that the Company’s systems are maintained and running smoothly. As explained in further detail in Attachment A, each of these positions are reasonable and will ensure safe and reliable service to our customers.

Table 2. Future Hire Positions		
Business Function	Position	FTE
Rates & Regulatory	Financial Analyst II	2
Rates & Regulatory	Financial Analyst III	1
Safety	Safety Specialist - Operational Risk Management	1
Engineering	Planning Engineer	1
Engineering	Developer Services Technician	1

¹ The Company determined additional personnel would not be necessary to acquire BMWS (A.18-09-013) or the Rio Plaza system (A.17-12-006).

Table 2. Future Hire Positions

Business Function	Position	FTE
Engineering	Engineering Manager - Regulatory Compliance/Statewide Programs	1
Compliance/Legal	Compliance Director	1
Warring Ops	Operator	1
Ventura Ops	Laborer	1
Bass Lake Ops	Operator	3
Hillview Ops	Operator	1
Customer Service	Business Support Specialist ²	1
Total Future Hire Positions		15

B. Structure of Workforce

Q134. Please identify the various employee classifications at California American Water and briefly describe how each group is compensated.

A134. There are three classifications of employees at California American Water: union hourly employees, non-union hourly employees, and exempt employees. Each classification of employees' total direct compensation includes fixed pay and variable pay. Union hourly employees are eligible to receive a combination of fixed pay and various forms of variable pay: overtime pay, stand-by pay, certification pay and performance pay. Non-union hourly employees are eligible to receive a combination of fixed pay and various forms of variable pay: overtime pay, stand-by pay, certification pay and performance pay. Exempt employees are eligible to receive a combination of fixed pay and variable pay in the form of performance pay.

² This position was referred to as "Operations Specialist" in previous GRCs, and remains as such in the RO model for this GRC.

C. Performance Compensation

Q135. What level of compensation does California American Water aim to provide?

A135. The Company targets its total direct compensation (base and variable compensation) for each role near the market median (50th percentile). The Company's compensation program is designed to provide employees with a total compensation package on par with those offered by companies with which it competes for employees. By using a combination of fixed and variable compensation, California American Water satisfies a dual objective of reasonably compensating our employees while motivating them to achieve goals that improve performance and efficiency to benefit our customers.

Q136. How is performance compensation provided to California American Water employees?

A136. Performance pay may be awarded under two plans – the Annual Performance Plan (APP) and the Long-Term Performance Plan (LTPP). All full-time employees participate in the APP. Eligibility for the LTPP is limited to certain exempt employees.

Q137. You say all full-time employees participate in the APP; does that include union employees?

A137. Yes, it does. Our union employees became eligible for APP in 2018, with their first payments in 2019.

D. Reasonableness of Compensation

Q138. Is the Company's performance compensation program reasonable?

A138. Yes. Employee compensation is a necessary cost of providing utility service. Therefore, it should be assessed through the same lens as other necessary operating costs: if it is prudently incurred and reasonable in amount it should be recoverable through rates. The focus should be on the reasonableness of the Company's overall level of compensation, giving management the discretion to design the compensation package that is best

structured to compensate employees properly and to motivate efficiency, safety, courtesy and other valuable employee traits.

Q139. Is providing appropriate levels of compensation to employees important to the Company's ability to continue to provide safe and reliable service?

A139. Yes, it is. Recruitment of skilled workers, as well as the retention of existing trained workers, is critical to continuing to provide safe drinking water and perform satisfactory customer service. Competition among companies to attract and retain the best and highest performing employees is keen. In recruiting new employees or retaining existing employees, California American Water competes with general industry in surrounding regions. Without the ability to provide competitive and customary compensation and benefits, the Company could be hampered in its efforts to attract new employees and retain existing.

E. Compensation Program Benefits

Q140. Do California American Water's performance compensation plans benefit customers?

A140. Yes. The Company's performance compensation plans align the interests of our customers, employees and investors. All of the APP and LTPP Plans' measures – both operational and financial – focus employees' efforts in ways that benefit customers.

Q141. Please describe the key performance objectives underlying the APP.

A141. Management and hourly non-union employees' APP pay is based on a combination of individual performance and achievement of plan goals. Union employees' performance pay was established through collective bargaining and is based on the achievement of plan goals. For 2022, the APP goals are as follows:

Strategy	Goal	Target	Weight
Safety	OSHA Recordable Incident Rate (ORIR)	0.77	7.5%

	OSHA Days Away, Restricted, or Transferred (DART)	0.40	7.5%
People	Women Representation	24.6%	2.5%
	Racial & Ethnic Diversity Representation	20.8%	2.5%
Customer	Customer Satisfaction	Top Half of Customer Satisfaction benchmarking survey	15%
	Water Quality	Achieve ≤ 6 drinking water NOVs with no more than 2 being health-based	15%
Growth	EPS Range	\$4.39-4.49	50%

Q142. Please describe the LTPP.

A142. American Water provides restricted stock units (“RSUs”) and performance stock units (“PSUs”) as long-term variable compensation under the LTPP. American Water’s RSUs and PSUs are based on three-year vesting periods. RSUs are based on time-based vesting and PSUs are based on time and performance vesting conditions.

Q143. How do the operational goals of the APP benefit customers?

A143. The operational goals of the APP are designed to focus plan participants on the performance results that can most directly influence customer satisfaction, health and safety, and environmental performance. Customers benefit from the plan goals because operational performance is improved by controlling costs, capturing efficiencies, promoting effective safety and risk management practices, and enhancing customer service. Performance is determined by goals that directly benefit customers by creating a

more productive workforce that is focused on customer satisfaction and achieving efficiency, environmental and safety goals.

Q144. How have California American Water’s customers benefitted from the company’s achievement of safety, customer satisfaction and environmental leadership goals under the performance pay program from 2017 to date?

A144. California American Water’s performance in these areas over the last several years, incentivized by its short-term variable pay plans, makes clear the operational performance that benefits customers.

Operational Metric	2017	2018	2019	2020	2021
OSHA Recordable Incident Rate	1.13	2.47	2.19	1.11	1.44
OSHA Days Away/Restricted or Job Transfer Rate	1.13	1.41	0.73	0.74	0.36
CPUC Complaints	50	43	41	53	28
Drinking Water Notices of Violation (NOVs)	1	0	1	1	0

Reducing OSHA incidents increases safety—customer safety and employee safety. No one can credibly dispute the benefits of improved safety. Further, reduced accidents reduce the attendant costs—workers’ compensation, damage repair, etc.—which mitigates the operating costs that customers pay through rates. California American Water continues to improve its performance in reporting near misses, another illustration

of the Company's high-performing safety culture. Exceptional safety performance reflects an engaged workforce that is focused on providing safe, reliable and affordable service to California American Water's customers.

Maintaining and improving high quality customer satisfaction and service quality also provide customer benefits. California American Water's customer satisfaction performance goals measure customer contacts at California American Water's customer service centers and in the field. They are benchmarked against other utilities' performance, as reported by third-party customer satisfaction surveys. In late 2021, California American Water ranked second of all California Large water utilities and ranked 4th of all large water utilities in the West Region for customer satisfaction in J.D. Power's Water Utility Residential Customer Satisfaction Study. J.D. Power's Overall Water Utility Satisfaction Index measures key performance indicators in six areas: delivery (including quality), price, conservation, billing and payment, communications, and customer service. Customer satisfaction often goes hand-in-hand with reducing customer complaints. Informal Commission complaints for 2021 are down by approximately 44% as compared to 2017 levels.

Q145. How do the financial goals of the APP and the LTPP benefit customers?

A145. The financial goals of the APP and LTPP are complementary to the operational goals and benefit customers in many ways. Importantly, to achieve performance pay financial goals demands attention to operating efficiency. Financial-goal based performance pay ensures that employees at all levels of the organization, and not just the upper ranks, remain focused on increasing efficiency, decreasing waste, and boosting overall productivity. As a result, incentivizing employees to control operating costs unquestionably benefits customers, because it mitigates rate increases. Consequently, when financial performance is achieved through efficiency, as is the case for California American Water, the interests of customers, employees and investors are aligned.

1 Q146. How else does financial-goal based performance pay benefit customers?

2 A146. Financial-goal based performance pay mitigates the cost of service to customers another
3 way. Because water and wastewater operations are capital intensive and must constantly
4 and consistently access the capital markets at reasonable costs, customers benefit when
5 their utility has the financial health to do so. Using low-cost debt and internal funds to
6 finance water and wastewater infrastructure investment mitigates the financing costs that
7 customers ultimately pay through rates. The availability of those sources of capital at
8 reasonable costs, however, depends on the utility's financial performance, including
9 credit and bond ratings. So it's important to focus utility employees on the financial
10 health of the organization. Simply put, a financially healthy utility benefits customers
11 because it enables the utility to meet its service obligations at reasonable financing costs.

12
13 Q147. Please summarize why it is appropriate to include in rates the costs of the Company's
14 performance-based compensation.

15 A147. The Company's performance compensation plans align the interests of our customers,
16 employees and investors. They contain tangible goals that are designed to do several
17 things. They measure and compensate employees for performance based on delivering
18 clean, safe, reliable and affordable water service and providing good customer service
19 when doing so. The operational components measure performance that can most directly
20 influence customer satisfaction, health and safety, environmental performance, and
21 operational efficiency. For example, the "people" operational performance metric for
22 2022 is focused on attracting and maintaining a diverse workforce. By cultivating an
23 inclusive and diverse work environment, California American Water fosters an
24 environment where our people can work safely, both physically and emotionally,
25 generate great ideas, provide better customer service, and make a difference in the
26 communities we serve.

Customers derive a direct benefit from our focus on these key measures in the plan. Further, well-grounded financial measures keep the organization focused on improved performance at all levels of the organization, particularly in increasing efficiency, decreasing waste, and boosting overall productivity. The Company’s overall compensation levels are a reasonable and prudently incurred cost of service that is appropriate for inclusion in rates.

VIII. SYSTEM ACQUISITIONS

A. Overview

Q148. What acquisition applications are pending for California American Water?

A148. California American Water has three applications currently before the Commission, as shown in Table 3. The Company intends to integrate Bass Lake Water Company into Northern Division operations; and both Bellflower Municipal Water System (“BMWS”) and Warring Water Service, Inc. into the Southern Division operations.

Table 3. Acquisitions Included in this GRC		
Division	Acquisition	Application Number
Northern Division	Bass Lake	A.22-03-002
Southern Division	BMWS	A.18-09-013
	Warring	A.20-04-017

Q149. How do customers benefit from these acquisitions?

A149. As is explained in detail in the respective currently pending proceedings, when compared with smaller utilities, California American Water can better achieve economies of scale, replace and upgrade systems to comply with important safety regulations, and access necessary capital.

1 Smaller water utilities often have more difficulty providing the economies of scale
2 needed to build and maintain adequate water systems. They often lack resources and
3 expertise to manage long-term operations, and they need financial and technical
4 assistance to maintain compliance. Larger utilities, such as California American Water,
5 can develop greater in-house expertise, creating institutional knowledge. California
6 American Water employs personnel with specific expertise in such specialized functions
7 as water quality and testing, environmental compliance, customer service, engineering,
8 and conservation. Smaller utilities frequently must rely on outside consultants who
9 usually cost more and leave at the end of the project, taking their institutional knowledge
10 with them. Benefits from more diverse and specialized workforces at larger utilities
11 provide advantages over smaller systems in numerous areas, including environmental and
12 water quality, financing, human resources, and general operations.

13
14 California American Water has a more sizeable workforce than the acquires systems and
15 California American Water's workforce tends to have overlapping skills, which reduces
16 the chance of coverage gaps due to illness, vacation, or unavailability. It also has greater
17 access to more advanced equipment and technology, which aids in resolving issues more
18 quickly.

19
20 Economies of scale are also driven by the relationship between the fixed and variable
21 costs of operation. Utilities are capital intensive. Fixed costs are high relative to variable
22 costs. For example, testing equipment for a system of 200 customers may cost the same
23 as that for a system of 20,000. With greater environmental and regulatory requirements,
24 fixed costs will likely only increase, presenting a problem for smaller water companies,
25 which will have trouble spreading those increased fixed costs over their smaller customer
26 bases. Because of California American Water's large size, it has a much better ability to
27 spread costs and improve efficiencies, which also benefits current customers. Economies
28 of scale also come in the form of benefits from bulk purchasing for services and supplies,

1 where California American Water's size gives it a significant advantage of the systems it
2 seeks to acquire. A larger total customer base spreads costs and risks, benefiting all
3 current and future California American Water customers.

4
5 The acquisitions included in this GRC currently lack a low-income assistance program.
6 Given their sizes, such a program could prove difficult for such systems to implement. In
7 contrast, California American Water has a well-functioning low-income program and has
8 implemented that program in its previously acquired systems. California American
9 Water's program benefits from the company's ability (through coordination with energy
10 companies) to identify customers that qualify. This ability is important because some
11 qualified customers may be unaware of the programs or unsure how to subscribe to them.
12 Because of California American Water's size and scope of operations, the data
13 processing costs are kept low on a per-customer basis. Similarly, California American
14 Water has a more robust conservation program, which is critical given the significant
15 droughts that are common in California.

16
17 **B. Bass Lake Water Company**

18 Q150. Please provide an overview of the Bass Lake system.

19 A150. Bass Lake Water is a Commission-regulated Class C public water utility. Bass Lake
20 Water owns and operates a water diversion, storage and distribution facility consisting of
21 surface diversion, a surface water treatment plant, wells, reservoirs, meters, mains,
22 distribution lines, and other facilities and properties necessary and useful for the utility's
23 operations. The system serves approximately 1,013 customers in Madera County,
24 California, of which only 44 are metered. Public Utilities Code Section 781 requires
25 Bass Lake Water Company to install a water meter to each unmetered service connection
26 by January 1, 2025. As a result, timing will be critical for the Bass Lake acquisition.
27 Any delay in Commission approval will jeopardize the ability to meet the mandated
28 metering deadline. Moreover, current supply chain issues are hampering the availability

1 of necessary materials. If such supply chain issues continue, they will also undermine
2 California American Water's ability to meet the mandated metering deadline. If present
3 constraints persist, they could pose a threat to meeting the deadline and necessitate an
4 extension of time for compliance.

5
6 Q151. What metering technology will be employed at Bass Lake?

7 A151. Advanced Metering Infrastructure (AMI) technology meters will be installed for Bass
8 Lake customers.

9
10 Q152. How will Bass Lake be integrated into the Northern Division?

11 A152. California American Water is committed to a smooth transition of the Bass Lake Water
12 Company's system into its current operations. Bass Lake is roughly 190 miles from the
13 Northern Division's main Sacramento County water system and about seven miles from
14 the Hillview system California American Water recently acquired. Three operator
15 positions are being requested and offers will be extended to the certified operators
16 currently operating the Bass Lake system.

17
18 Q153. What will be the ratemaking treatment for Bass Lake?

19 A153. For details on ratemaking treatment, please refer to Section XI of the Direct Testimony of
20 Stephen (Wes) Owens.

21
22 **C. Bellflower Municipal Water System (BMWS)**

23 Q154. Please provide an overview of the system and where the proceeding currently stands.

24 A154. BMWS serves approximately 1,827 customers, or about 10% of the residents of the City
25 of Bellflower. The BMWS includes one active high-capacity well ("High Capacity Well
26 1") and three standby wells, three steel hydropneumatic storage tanks, distribution
27 pipelines, fire hydrants, isolation valves, blow-off valves, and six interconnections. High
28 Capacity Well 1 is currently operated by the Bellflower-Somerset Mutual Water

1 Company (BSMWC) but owned by BMWS. Water produced by the well is conveyed
2 through the BSMWC distribution system to the BMWS service areas.

3
4 Based on the expected costs to administer the system and make improvements as the need
5 to supplement system costs with general fund monies, the City Council decided the City's
6 continued ownership of Bellflower Municipal was infeasible. The city then solicited bids
7 from potential purchasers and ultimately selected California American Water's bid as the
8 winner. The voters of Bellflower approved the sale in November 2016. On November
9 23, 2021, California American Water and the Public Advocates Office filed a motion
10 seeking approval of a settlement that would result in approval of California American
11 Water's acquisition of BMWS. That motion remains pending before the Commission.

12
13 Q155. How will BMWS be integrated into the Southern Division?

14 A155. California American Water is committed to a smooth transition of BMWS into its current
15 operations. The acquisition will be a tuck-in that will fold into the Los Angeles County
16 District and be operated with current California American Water staff. BMWS assets
17 will be integrated into the California American Water data system and put on the same
18 maintenance schedule currently used by California American Water. In addition, all
19 BMWS customer and meter data will be integrated with the California American Water
20 data system. This will enable California American Water employees to promptly address
21 customer concerns and issues. The proximity of the BMWS to the Los Angeles District's
22 Rosemead Operations Center will accommodate swift response times by employees. Not
23 only during the day, but at night, on weekends and during holidays. BMWS customers
24 will have access to California American Water's resources and staff expertise, including,
25 but not limited to, engineering, legal, water quality, finance, web-based services and a
26 customer service center with 24/7 emergency access.

27
28 Q156. What will be the ratemaking treatment for Bellflower?

1 A156. For details on ratemaking treatment, please refer to Section XI of the Direct Testimony of
2 Stephen (Wes) Owens.

3
4 **D. Warring Water Service, Inc.**

5 Q157. Please provide an overview of the system and where the proceeding (A.20-04-017)
6 currently stands.

7 A157. Warring is a privately owned, Commission-regulated class D water utility. Warring owns
8 and operates a water production, storage and distribution system consisting of wells,
9 meters, mains, distribution lines and other facilities and properties necessary and useful
10 for the utility's operations. All water served to Warring customers is pumped from three
11 local groundwater basins. It is finished with sodium hypochlorite and no other water
12 treatment is required. The system serves more than 550 customers in the unincorporated
13 community of Piru and its vicinity in Ventura County. The area has several planned
14 developments. The Public Advocates Office has withdrawn from the proceeding. No
15 party now opposes approval of the acquisition. The parties to the proceeding await
16 issuance of a proposed decision by the Commission.

17
18 Q158. How will Warring Water Service be integrated into the Southern Division?

19 A158. California American Water is committed to a smooth transition of Warring into its
20 current operations. Warring is located about 32 miles from California American Water's
21 Ventura County District and will become a part of that operation. It also is about 30 miles
22 from the Ventura County District's Las Posas system and 30 miles from the recently
23 acquired Rio Plaza system.

24
25 To assist in the daily operations of Warring, one employee will transition from Warring
26 to California American Water.

27
28 Q159. What will be the ratemaking treatment for Warring?

1 A159. For details on ratemaking treatment, please refer to Section XI of the Direct Testimony of
2 Stephen (Wes) Owens.

3
4 **IX. ADVANCE METERING INFRASTRUCTURE**

5 Q160. Please provide an update on California American Water AMI program.

6 A160. In D.21-11-018, pages 167-68, the Commission found that California American Water’s
7 proposed AMI deployment in its Ventura and Monterey districts was reasonable and in
8 the interest of ratepayers. California American Water’s proposal was based on available
9 AMI technology at the time. At that time, the Company was exploring two available
10 options: either build its own backbone infrastructure to support AMI deployment; or
11 “piggyback” on another utility’s infrastructure. With both options, the up-front cost was
12 significant and, given that, the logical strategy was to accelerate the deployment, in short,
13 full implementation.

14
15 Q161. What has changed in California American Water’s AMI strategy?

16 A161. The advent of cellular metering technology has provided the Company with an option to
17 avoid the costly infrastructure expense and instead utilize individual cellular “endpoints”
18 located directly on the meters themselves. It also allows the Company to employ an AMI
19 implementation strategy that corresponds with its Length of Service (“LOS”) meter
20 replacement program.

21
22 Q162. When will customers see the benefit of AMI?

23 A162. As each customer’s meter is replaced as part of the LOS program, that replacement meter
24 will contain the cellular endpoint, and that customer will then receive the benefits of AMI
25 technology. AMI technology will provide more detailed usage data and enable California
26 American Water to provide notifications of possible customer leaks.

1 Q163. Please explain how this change to AMI implementation is reasonable and beneficial to
2 customers.

3 A163. Cellular metering technology has allowed the company to avoid large upfront expenses
4 that would have been borne by California American customers. It also allows for cost
5 savings related to meters being changed on their LOS schedule rather than before their
6 time to be changed.

7 8 **X. OTHER SPECIAL REQUESTS**

9 **A. Special Request No. 17 - Proposed Operational Tariff Modifications**

10 Q164. Please provide an overview of the proposed operational tariff modifications.

11 A164. The proposed operational tariff modifications discussed below are intended to improve
12 the customer experience by clarifying responsibilities between the customer and Utility
13 and by reducing inequities between customers. Specifically, the proposals below are
14 designed to address areas of the Company's tariffs that have repeatedly caused customer
15 confusion or complaints.

16 17 **1. Rule 10—Billing Errors**

18 Q165. What changes to Rule 10 (Disputed Bills) are being proposed by California American
19 Water?

20 A165. California American Water requests that it be authorized to add a "billing error" tariff
21 similar to the tariffs maintained by California's energy companies.³ The proposed tariff
22 language is included in Attachment 1 to the Direct Testimony of Jonathan Morse.
23 Specifically, California American Water requests that Rule 10 include the following
24 definition of "billing error."

25
26
27
28 ³ See Southern California Edison, Rule 17 (Adjustment of Bills and Meter Tests); Pacific Gas & Electric,
Rule 17.1 (Adjustment of Bills for Billing Error); San Diego Gas & Electric, Rule 18 (Meter Tests and
Adjustment of Bills); Southern California Gas Company, Rule 16 (Adjustment of Bills).

1 Billing error is the incorrect billing of an account due to an error by the utility that
2 results in incorrect charges to the Customer. Billing error includes, but is not
3 limited to, incorrect meter reads or clerical errors, wrong estimated billing
4 calculations, crossed meters, inaccurately set up meters, an incorrect billing
5 calculation, or an inapplicable rate. Field error, including, but not limited to,
6 installing the meter incorrectly is also considered billing error.

7
8 California American Water also requests the addition of limitations on refunds, similar to
9 those already included in California American Water's Rule 18, to a three-year period for
10 overcharges and three months for undercharges. California American Water first
11 proposed these modifications in A.19-07-004, but agreed in settlement to withdraw the
12 request. California American Water's makes the request again in this application because
13 its request remains reasonable and the proposed modification will provide greater clarity
14 to customers.

15
16 Q166. Why does California American Water propose changes to Rule 10?

17 A166. Unfortunately, part of California American Water's business is handling billing disputes.
18 If a situation arises where a customer has been overbilled, it has been California
19 American Water's practice to refund customers for any overcharges that occurred within
20 the past three years. This is consistent with California law and Commission precedent.⁴
21 This change is also consistent with California American Water's historical practice.
22 California American Water does not, however, have this three-year policy affirmatively
23 stated in its tariffs which causes confusion. To reduce any customer confusion, and
24 provide clarity to all parties involved in a billing dispute, limitations are needed.

25
26
27
28 ⁴ See Public Util. Code §§ 736, 737; D.13-02-036, *DCOR, LLC v. Southern California Edison Co.*, D.04-09-025, *Application of Point Arena Water Works, Inc. for an Order Authorizing a Rate Increase*; D.86-06-035.

1 **2. Rule 18—Meter Errors**

2 Q167. What changes to Rule 18 (Meter Errors) are being proposed by California American
3 Water?

4 A167. Rule 18 addresses, among other items, meter errors due to fast meters, slow meters, and
5 non-registering meters. In coordination with the changes proposed to Rule 10, California
6 American Water proposes to clarify and make consistent the refund limitations found in
7 Rule 18 for meter errors. California American Water also proposes to revise Rule 18.B.4,
8 which currently reads: “When it is found that the error in a meter is due to some cause,
9 the date of which can be fixed, the overcharge or undercharge will be computed back to
10 but not beyond such date.” The proposed modification, included in Attachment 1 to the
11 Direct Testimony of Jonathan Morse, is designed to clarify that language and add
12 consistent limitations periods:
13

14 When it is found that the error in a meter is due to some cause not described in
15 Rule 10.D, Rule 18.B.1, Rule 18.B.2 or Rule 18.B.3 above, the date of which can
16 be fixed, the overcharge or the undercharge will be computed back to such date as
17 follows. Any overcharge will be calculated for only those months during which
18 the error occurred up to a period of three years. Any undercharge will be
19 calculated for only those months during which the error occurred up to a period of
20 three months.
21

22 As with the proposed Rule 10 modifications, California American Water first proposed
23 these modifications to Rule 18 in A.19-07-004, but agreed in settlement to withdraw the
24 request. California American Water’s makes the request again in this application because
25 its request remains reasonable and the modified tariff will provide greater transparency its
26 customers.
27

28 Q168. Why does California American Water propose changes to Rule 18?

A168. Meter errors occasionally occur, and California American Water believes it is in all parties' best interest to be clear and consistent about what the limitations are on refunds and collections related to meter errors. The proposed changes also should eliminate confusion caused by the current cumbersome wording in Rule 18 regarding "error in a meter is due to some cause," by specifying when Rule 18.D.4 would be applicable. As described above with respect to Rule 10, the proposed limitations periods are consistent with California American Water's policies, California law, and Commission precedent.

3. Wastewater Rule 11—Customer's Request for Discontinuance of Service

Q169. Why is California American Water proposing a modification to Wastewater Rule 11 (Discontinuance and Restoration of Service)?

A169. California American Water seeks to modify Wastewater Rule 11 to avoid confusion over discontinuation of service for its customers that only received wastewater service. Wastewater Rule 3 provides that "[u]nless the property receives both water and sewer service from the Utility, only the property owner may open an account for service and be the customer of record." Once a property has wastewater service, California American Water cannot, as a practical matter, "shut off" wastewater service. Additionally, Monterey County, where all of California American Water's wastewater-only customer properties are, requires that these properties be hooked up to the wastewater system.⁵

Thus, every time a property changes hands for our wastewater only customers, the new property owner must open an account. This requirement is not, however, spelled out in the wastewater operating rules. California American Water thus proposes modifications

⁵ Monterey County Code, Chapter 15.20.040 (providing that all plumbed structures within 200' of an approved sanitary sewer line must be connected). *See also* <https://www.co.monterey.ca.us/government/departments-a-h/health/environmental-health/environmental-health-review/frequently-asked-questions> ("Q. I don't want to pay for sewer serviced anymore. Can I install a septic system? A. No. All plumbed structures within 200' of an approved sanitary sewer line must be connected according to Monterey County Code, Chapter 15.20.040.")

1 to Rule 11 to provide clarity and consistency when a wastewater only customer requests
2 discontinuance of its service.

3
4 Q170. What modifications is California American Water proposing to Rule 11?

5 A170. California American Water proposes the following change to Rule 11.A.1. Proposed
6 additional language is underlined.

- 7
8 1. A customer may have service discontinued by giving not less than two days'
9 advance notice thereof to the Utility. Charges for service may be required to be
10 paid until the requested date of the discontinuance or such later date as will
11 provide not less than the required two days advance notice. If a customer receives
12 only sewer service from the Utility, the charges for service may be required to be
13 paid until the requested date of the discontinuance or the date of transfer of the
14 property to a new owner. Customer shall provide documentation showing the
15 date of transfer. In no case shall the customer provide not less than the required
16 two days advance notice.

17
18 By requesting the customer provide documentation of the property transfer, such as a
19 publicly available deed or similar document, California American Water can immediately
20 reach out to the new property owner and request the property owner establish an account.
21 This modification will also provide notice to wastewater-only customers that they cannot
22 simply discontinue their service. The proposed tariff language is also included in
23 Attachment 1 to the Direct Testimony of Jonathan Morse.

24
25 Q171. Does this conclude your testimony?

26 A171. Yes.
27
28

ATTACHMENT A

Attachment A - Position Request Forms for 2022 General Rate Case

Basic Information			
POSITION TITLE:	Safety Specialist - ORM	HIRED?	No
DISTRICT/DEPARTMENT:	Safety	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>The Safety Specialist position is a key element in the overall safety and loss control programs for California operations. The position will be based in the Northern Division, whose geographical footprint as well as workforce, have grown through several acquisitions.</p> <p>Currently, safety specialists from other districts have been brought in to ensure adherence to company health and safety procedures and compliance where new personnel are unfamiliar with the company's safety program. Maintaining coverage over geographically disperse areas in training, inspections, confined space and other safety programs, Injury and Illness Prevention Plan (Cal-OSHA required), incident analysis, COVID-19 tracing, Emergency Response Plans as well as workers compensation and general liability claims has been challenging in the short term and will not be sustainable over the long term without more adding more safety personnel.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Safety Specialist is responsible for assisting in planning, organizing, providing training and overseeing components of the Company's Operational Risk Management Program ("ORM") to prevent, eliminate or minimize injury, property and productivity losses and to ensure compliance with applicable Company policies and procedures as well as federal, state and local regulations. The current California American Water ORM staffing includes an ORM Director (Statewide, based in Sacramento) and two Safety Specialists based in the Central and Southern Divisions. The number of employees and geographical complexity were evaluated when considering this position. The 305 California American Water personnel are almost evenly distributed between the Southern, Central and Northern Divisions, however, these employees report to 14 separate locations.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>The Northern Division has been steadily improving over the last four years regarding safety performance. However, due to acquisitions, safety and security issues have risen in the last two years. A full-time safety position is needed to promote and manage employee and contractor safe work practices, safety culture, training and specific safety programs (e.g. tank climbing/fall protection, confined space, electrical safety, etc.) to prevent injuries and reduce loss.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Temporary versus Permanent. This position requires a knowledge in safety regulations, behavioral safety, training techniques and effective inspection programs. It also requires knowledge of the water and wastewater operations and the employees that operate those systems. Creating a successful safety program and safety culture requires stable management and knowledge of the people and work activities that can only be accomplished by a permanent and long-term position.</p> <p>Outsourcing. The position requires a variety of skills and knowledge of the business. In the past we have tried outsourcing training. This was expensive and did not allow for required training with local</p>			

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and industry specific focus. In addition, injury investigations and claims management may have confidential information that an internal resource would best keep secure.

California American Water contracts with companies that provide specific skills and expertise that would be beyond the capabilities of an internal safety expert and include fall protection (CAI), ergonomic program development assistance (Dr. Murro) and behavioral safety assessment and support (Dekra Insight/ BST). An internal Safety Specialist would be able to manage and support the implementation of these programs throughout the division.

California American Water's safety program also includes implementation of technology systems: safety incident analysis and reporting, root cause analysis, inspections, SDS maintenance, near misses, UAV (drones) and DOT-CDL program tracking. These systems are specific to California American Water and would require additional training expense for an external resource.

HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:

Customers will benefit from less down time due to injuries and a strong safety culture that emphasizes high productivity operations. The focus on injury prevention including operating with the right equipment and resources, benefits the customer because operators and crews are able to complete projects in a timely and safe manner, thus lessening any service disruption. Field personnel are trained in safe work procedures that include public safety. Keeping work zones safe benefits the public in reducing their exposure to construction, vehicular and other hazards.

BUSINESS CASE TO ADD THIS POSITION:

This position will be instrumental in identifying opportunities for safety culture improvements, injury prevention and loss reduction. As issues are identified, the corrective actions will be managed and training or other safety programs updated. The position will focus on cost savings by reducing operational loss.

Standard Information

ROLE AND RESPONSIBILITIES:

Specialist Health & Safety

Primary Role: Responsible for assisting in planning, organizing, providing training, and overseeing components of the Company's Operational Risk Management Program to prevent, eliminate or minimize injury, property, and productivity losses and to ensure compliance with applicable company policies and procedures as well as federal, state and local regulations.

Key Accountabilities:

- Conducts and oversees ORM assessments, audits and inspections at Company facilities and job sites in order to identify hazards and deficiencies, recommend remedial actions and oversee successful implementation of corrective actions. Conducts accident investigations for root cause analysis and corrective action development.
- Assists in the development of strategies and programs to ensure compliance with Company federal, state and local regulations as they pertain to ORM.
- Reports and investigates Worker's Compensation, automobile liability, general liability and property damage claims initiated against or on behalf of the Company.

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- Assists in the development and implementation and independently delivers Training Programs related to ORM.
- May act as liaison between the Insurer, Broker and Company in claims settlement activities.

Education:

Associates degree and higher (desired) or equivalent combination of related education, training, and experience.

Knowledge:

- Knowledge of and/or ability to quickly learn Company policies and procedures relating to Operations and Safety Loss Control. Knowledge of regulations applicable to Safety and Health.
- Working knowledge of water utility standards and practices.

Experience:

Minimum of three (3) years directly applicable experience.

Certifications & Licenses:

Current and valid safety certification(s) preferred.

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Basic Information			
POSITION TITLE:	Financial Analyst II (2 FTE)	HIRED?	No
DISTRICT/DEPARTMENT:	Rates	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>As the Rates Department coordinates the Company's preparation and implementation of filings; provides timely financial and operational analysis; and prepares regulatory reports, it directly contributes to the company's financial health and regulatory compliance. Increasingly complicated regulatory filings, the pancaking of these filings within discrete time periods, and the limitations of current staffing resources create the potential for delayed implementation of Commission orders, and a higher risk of errors in analysis, billing, or accounting. There are an increasing number of regulatory matters at the CPUC including numerous OIRs and OILs and data requests related customer arrearages, COVID-19 pandemic, wildfire response, climate change, affordability, increased customer data sharing, and the bill tracking tool among other matters. Additionally, the calculation of Incremental Cost Balancing Account (ICBA) and or Full Cost Balancing Accounts (FCBAs) including the power entries, tariff analysis, and rate changes will require a significant amount of staff hours. These calculations are time-consuming and require internal controls including management review to prevent unintentional calculation errors. It is critical that the two requested Financial Analyst positions (of which this is one) are added to the department to help normalize the workload.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Financial Analyst II position supports the creation, completion and analysis of standard and moderately complex financial reports and financial information to ensure the overall analysis supports the financial business objective of the Company. This position prepares regulatory reports, financial information and operational data necessary for filing complete and timely rate applications and reports to state regulatory commissions. This position participates in preparation of rate cases and filings with special emphasis on revenue modelling and analysis, and supporting detailed work schedules. This position reports to the Director of Rates and Regulatory Affairs and does not have any direct reports.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Temporary versus Permanent. Finding temporary employees to manage advice letter filings and billing changes is not sustainable. While it is possible to find a person who would be able to fulfill these tasks, the disruption to the business and loss of institutional knowledge, plus the investment in training necessary to bring them online, would outweigh any benefits from their short-term employment. In addition, many of the tasks performed by this position would be in handling sensitive information, and those tasks are best entrusted to a full-time employee who would be fully trained.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:</p> <p>This position provides value to customers by supporting timely and accurate implementation of regulatory decisions, which results in timely and accurate customer billing. This position also supports regulatory compliance throughout the Company's operations by interpreting and disseminating regulatory information; this ensures that the Company maintains good stewardship of its resources</p>			

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for its customers to enjoy into the future. The position further provides value to California Public Utilities Commission staff by providing work product that supports company positions in a detailed and understandable manner. The person in this position is available to respond to Commission requests and provide knowledgeable responses.

BUSINESS CASE TO ADD THIS POSITION:

Detailed analysis is critical to any regulated utility filing. The work performed by this analyst impacts all of California American Water's customers. Maintaining adequate staffing with the Rate and Regulatory Department helps avoid errors brought on by over-worked staff. Further, maintaining adequate staffing allows for the knowledge retention necessary in this complex field. By handling analytical duties within the department, this analyst frees managers and directors to maintain an active role with CPUC staff. This helps bridge communication ensuring a better relationship for all parties, which is to the benefit of customers and CPUC staff.

Standard Information

ROLE AND RESPONSIBILITIES:

PRIMARY ROLE: Support the end-to-end preparation and development of the financial analysis and the compliance reporting requirements to support state/operational business partners in all rate and regulatory matters. Support and own the completion of exhibits, work papers, interrogatories, and writing testimony to sponsor in a timely and accurate fashion. Prepare regulatory reports, financial information, and operational data necessary for filing complete and timely rate applications and reports to state regulatory commissions.

KEY ACCOUNTABILITIES:

- Prepare revenue related analysis that supports operational/state business partners in the filing of base rate cases and alternative regulatory mechanisms (DSIC, RAC, trackers, etc.). Ensure the financial support is complete, accurate and timely prepared meeting all filing deadlines.
- Support the end-to-end preparation and development of revenue related pro forma adjustments that are relied upon to support base rate case requests and alternative regulatory mechanisms.
- Support the accurate preparation of revenue related rate case support schedules, testimony and exhibits for increasingly more complex issues. Be prepared to develop written testimony (written and oral) and sponsor more complex adjustments in rate filings.
- Lead RA team in development of knowledge and skills related to rate case revenue issues.
- Act as rate case revenue SME for RA team members with rate case issues.
- Manage RA deliverables to meet rate case timelines.
- Prepares responses to interrogatories for schedules and exhibits they own.
- Prepares financial support that is relied upon by Company consultants in areas such as: cost of service studies, rate design, revenue forecasts, customer forecasts, usage, and sales forecasts, etc.
- Assist with preparation of regulatory compliance filings, responses to ad hoc requests from regulators, compliance requirements from public utility commission orders as they apply to revenue related matters.
- Analyze utility applications, reports, financial records, and cost studies.
- Maintains and supports the use of SharePoint to drive efficiencies and develop best practices.

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- Measures and assesses activities to drive continuous process improvements.

EDUCATION: Bachelor's degree in economics, finance, accounting, business or a closely related field or an equivalent combination of education and experience. MBA in Accounting or Finance preferred.

KNOWLEDGE:

- Economic principles relating to utility rates and cost analysis
- Fundamental accounting concepts and understanding of analytical concepts for financial analysis as well as US GAAP accounting practices
- Data collection, research, statistical and cost analysis
- Business report writing, preparation and delivery of presentations
- Audit, review and analyze business and financial records
- Execution and analysis using company business technologies
- Microsoft Office Suite (MS Word, PowerPoint, Excel) with particular expertise in Microsoft Excel
- Must have the ability to review data and make appropriate decisions regarding public utility operations and to project future revenues, sales, usage, and customer trends.

EXPERIENCE: Three to six years of pertinent financial experience. Water utility industry a plus.

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Basic Information			
POSITION TITLE:	Financial Analyst III	HIRED?	No
DISTRICT/DEPARTMENT:	Rates	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>As the Rates Department coordinates the Company's preparation and implementation of filings; provides timely financial and operational analysis; and prepares regulatory reports, it directly contributes to the company's financial health and regulatory compliance. Increasingly complicated regulatory filings, the pancaking of these filings within discrete time periods, and the limitations of current staffing resources create the potential for delayed implementation of Commission orders, and a higher risk of errors in analysis, billing, or accounting. There are an increasing number of regulatory matters at the CPUC including numerous OIRs and OILs and data requests related customer arrearages, COVID-19 pandemic, wildfire response, climate change, affordability, increased customer data sharing, and the bill tracking tool among other matters. Additionally, the calculation of Incremental Cost Balancing Account (ICBA) and or Full Cost Balancing Accounts (FCBAs) including the power entries, tariff analysis, and rate changes will require a significant amount of staff hours. These calculations are time-consuming and require internal controls including management review to prevent unintentional calculation errors. It is critical that the two requested Financial Analyst positions (of which this is one) are added to the department to help normalize the workload.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Financial Analyst III position leads the creation, completion and analysis of standard and moderately complex financial reports and financial information to ensure the overall analysis supports the financial business objective of the Company. This position oversees and prepares regulatory reports, financial information and operational data necessary for filing complete and timely rate applications and reports to state regulatory commissions. This position leads in preparation of rate cases and filings with special emphasis on revenue modelling and analysis, and supporting detailed work schedules. This position reports to the Director of Rates and Regulatory Affairs and does not have any direct reports.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Temporary versus Permanent. Finding temporary employees to manage advice letter filings and billing changes is not sustainable. While it is possible to find a person who would be able to fulfill these tasks, the disruption to the business and loss of institutional knowledge, plus the investment in training necessary to bring them online, would outweigh any benefits from their short-term employment. In addition, many of the tasks performed by this position would be in handling sensitive information, and those tasks are best entrusted to a full-time employee who would be fully trained.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:</p> <p>This position provides value to customers by supporting timely and accurate implementation of regulatory decisions, which results in timely and accurate customer billing. This position also supports regulatory compliance throughout the Company's operations by interpreting and disseminating regulatory information; this ensures that the Company maintains good stewardship of its resources for its customers to enjoy into the future. The position further provides value to California Public</p>			

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Utilities Commission staff by providing work product that supports company positions in a detailed and understandable manner. The person in this position is available to respond to Commission requests and provide knowledgeable responses.

BUSINESS CASE TO ADD THIS POSITION:

Detailed analysis is critical to any regulated utility filing. The work performed by this analyst impacts all of California American Water's customers. Maintaining adequate staffing with the Rate and Regulatory Department helps avoid errors brought on by over-worked staff. Further, maintaining adequate staffing allows for the knowledge retention necessary in this complex field. By handling analytical duties within the department, this analyst frees managers and directors to maintain an active role with CPUC staff. This helps bridge communication ensuring a better relationship for all parties, which is to the benefit of customers and CPUC staff.

Standard Information

ROLE AND RESPONSIBILITIES:

PRIMARY ROLE: To oversee the preparation of data necessary for filing rate applications. To ensure timely and accurate completion of all exhibits, work papers, and interrogatories required for rate filings. To ensure adherence to all schedules in accordance with the requirements set-forth by the Director of Rates in all applicable rate regions. To ensure compliance with GAAP, Regulatory and Company policy. To oversee the preparation and presentation of financial information as directed, including monthly variance analysis and budget reports. To establish, measure and manage associate workforce to cultivate a customer service focus and culture. To recruit and develop staff.

KEY ACCOUNTABILITIES: Communicate rate change information resulting from final rate orders, to Corporate and to appropriate Shared Service functional areas. Plan, direct and coordinate with Shared Services leadership to set overall and team-level performance measures and goals. Conduct periodic meetings with key Customer associates to prepare and organize for rate filings. Assists in the preparation of income, cash flow and balance sheet statements, consolidated statements and other accounting statements and reports (including operating data reports), in compliance with GAAP, applicable regulatory requirements, and internal Company accounting policies and procedures. Ensure timely completion of schedules and exhibits including, but not limited to, Minimum Filing Requirements, Rate Base, Capital, Revenues, Bill Analysis, Expenses, and tariffs.

Provide resources and/or information to conduct Special Studies, such as, Depreciation Studies, Cost of Service Studies, Cost of Capital, Lead/Lag Studies and Weather Normalization, etc., required by certain Commissions. Oversee provision of data to outsourced projects. Provide any other pertinent information for data requests. Provide information for Rebuttals and Surrebuttals and attend and assist in any Hearings as requested. Oversee the set-up of Rates and verify billings in the Customer Billing system and ensure rate Refunds are implemented when necessary. Identify and ensure implementation of process and system enhancements to continuously improve operations. Interface with other Shared Service teams to ensure compliance with cross-team accountabilities. Work cooperatively with Customers to encourage compliance with two-way accountabilities established in the SLAs. Ensure all team member training and development needs are met. Willingly accept work outside normal scope of responsibility.

EDUCATION: Bachelor's degree in economics, finance, accounting, business or a closely related field or an equivalent combination of education and experience, or equivalent combination of undergraduate

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education and work experience that provides the knowledge and exposure to the financial analysis of utility rates, expenses, revenues and services and exposure to the fundamental theories, principles, and concepts of the field. Advanced degree or CPA preferred.

KNOWLEDGE:

Detailed and demonstrated knowledge of:

- Economic principles relating to utility rates and cost analysis.
- Accounting concepts and understanding of analytical concepts for financial analysis as well as US GAAP accounting practices.
- Methodologies and practices of data collection, research methodologies and of statistical and cost analysis.
- Business report writing, preparation and delivery of presentations including oral testimony.
- Audit, review, and analysis of business and financial records.
- Execution and analysis using company business technologies and computer simulation programs.
- Microsoft Office Suite (MS Word, PowerPoint, Excel) with particular expertise in Microsoft Excel Advanced.
- Must have the ability to review data and make appropriate decisions regarding public utility operations and to project future costs.
- Direct knowledge and experience in the process of preparing and filing rate cases, including all related and supporting activities, a plus.
- Direct knowledge and experience of the revenue aspect of rate case preparation, a plus.
- Ability to understand complex regulatory accounting.
- Work directly with commission staff and prepare written and oral testimony in the area of revenues.
- Ability to identify the need for and develop new financial analysis requirements and models.
- Knowledge/Experience of ERP and CIS Systems (preferable integrated platform).

EXPERIENCE: 4+ years prior related job experience required. Utilities industry experience required. 3+ years supervisory experience required. Shared services experience preferred. JD Edwards and Oracle Financial Analyzer (OFA) experience preferred.

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Basic Information			
POSITION TITLE:	Planning Engineer	HIRED?	No
DISTRICT/DEPARTMENT:	Engineering	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>The Planning Engineer will assist with completion of planning studies and hydraulic modeling for the over 40 water and wastewater systems California American Water owns and operates. California American Water is planning to complete approximately 25 studies in the near-term, including Comprehensive Planning Studies, condition-based assessments, source of supply studies, state and federally mandated studies, and more. While a great deal of this work has been contracted out previously, a cost/benefit analysis demonstrated an additional Planning Engineer will be more cost-effective than outsourcing the work. This position will reduce California American Water's reliance on outside consultants to complete studies and hydraulic modeling. This shift to utilizing internal resources for the studies and modeling will allow for greater institutional knowledge sharing, more accurate documentation, and efficiency in drafting needed and value-added capital projects.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Planning Engineer will support California American Water by contributing to the extensive process of drafting the Comprehensive Planning Studies that efficiently identify and prioritize capital projects needed in each water and wastewater service area. Additionally, the Planning Engineer will complete hydraulic modeling analyses to assist operations with emergencies, operational efficiencies, and on-going fire flow availability requests. Reporting to the Capital Program and Asset Planning Manager, the Planning Engineer will be involved in the planning, evaluation, development, and review of the specific capital projects that provide for continued reliable water service to our customers and to each system's resiliency.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>Currently, a great deal of work on planning studies and hydraulic modeling is outsourced. While outsourcing the studies has allowed internal staff an opportunity to shift workload, it limits the critical contribution from the planning engineer as most time is spent managing multiple studies simultaneously. The opportunity to cultivate and utilize internal knowledge is also limited with outsourcing the studies, as scheduling large meetings with operations and engineering staff is rigid and taxing on staff who have a multitude of tasks to complete in the field. These infrequent and long meetings are not as efficient or effective as multiple short internal meetings with internal staff.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Continue to outsource most of the study work.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:</p> <p>Having internal staff leading the assessments and studies results in greater familiarity and understanding of the normal and emergency operational conditions and constraints. This results in greater insight into the identification of operational demands and challenges and development of the capital project solutions.</p>			

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BUSINESS CASE TO ADD THIS POSITION:

Detailed understanding of each system's demands and challenges is critical to any study. The work performed by this Planning Engineer impacts all of California American Water's customers. Maintaining adequate staffing in Engineering helps avoid errors brought on by over-worked staff and misinterpretations by contractors. Further, maintaining adequate staffing allows for the knowledge building and retention necessary in this complex field.

Standard Information

ROLE AND RESPONSIBILITIES:

PLANNING ENGINEER

PRIMARY ROLE: Responsible for strategic long term water system planning and recommending projects or approaches to address needs related to source of supply, treatment, storage, pumping and transmission of water. The analysis and recommended solutions will affect the performance and operational integrity of water systems within American Water. A Planning Engineer also has technical and project management supervision over consulting Project Managers/Engineers, and/or project support engineers or technicians. This position is also responsible for conducting or reviewing water system capacity and service evaluations associated with water service extension projects or other potential service growth opportunities. Prepare or assist in the preparation of detailed asset investment plans considering the cost, timing, prioritization, operational need and risk, strategic investment fit and other pertinent factors surrounding individual projects or investment programs.

Key Accountabilities: Coordination and preparation of strategic water system planning studies (comprehensive or targeted, issue-based studies as appropriate) as assigned. Preparation and maintenance of asset investment plans and strategic capital expenditure plans as assigned. Plans to accurately address operational needs, operational efficiencies, asset management and strategic investment goals set by the Corporation based upon prioritization models. System capacity evaluations, analysis of source, production, distribution, storage, or other system deficiencies as assigned to support ongoing operations, service extension requests or regional growth opportunities.

Ability to serve as a competent technical resource on Water System Planning matters including capital planning, safe yield analysis, demand projections, production adequacy, transmission and distribution adequacy, computerized hydraulic modeling and analysis, water conservation, regionalization, and other pertinent subjects as needed to support operational and business needs. Present results of engineering analysis to interested parties within and outside of the company, including expert testimony, presentations to Regulatory agencies and Senior Company Management. Pursues educational opportunities and professional development to enhance performance and contributions to the organization. Contribute to effective communication by listening and providing constructive feedback; supporting the creation of an open and honest work environment; cascading and sharing knowledge and information relevant to other members of the team and colleagues across the business.

EDUCATION: Bachelor's Degree in Engineering. Professional Engineering (PE) license required.

KNOWLEDGE:

- Demonstrated competency in asset planning, water system comprehensive master planning, distribution system hydraulic modeling or equivalent water system design experience.

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- Broad knowledge of Engineering (planning, design, construction) related to water facilities.
- Working knowledge of regulatory developments, new technology and current trends in water quality, treatment, and Engineering economics.
- Applicable knowledge of water resources industry, business, and environmental regulatory field.
- Knowledge of Company Operations. Skills:
- Leadership ability and interpersonal skills, as well as solid verbal and written communication skills and keen listening abilities.
- Detail oriented to conduct thorough analysis and evaluations, render and implement timely decisions and recommendations.

EXPERIENCE: Minimum 5 years' experience in water resources planning. **Certifications & Licenses:** Professional Engineering (PE) license required. Valid driver's license.

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Basic Information			
POSITION TITLE:	Developer Services Technician	HIRED?	No
DISTRICT/DEPARTMENT:	Engineering	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>As our business has evolved, the added professional level reporting and higher-level administrative tasks have been absorbed by our engineers, drawing significantly on their time and diverting them from completing the critical engineering and complex tasks that they are solely qualified and compensated to complete. Adding an Engineering Technician level position to our department would allow for the mid-level professional tasks to be shifted from engineers. This would free up engineers to focus on the more complex and technical work and take on added work that is prudent to continually advance our department's maturity.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Engineering Technician is a professional level position supporting the Project Delivery, Asset Management and Developer Services Departments (in the Engineering North, Beloit office) with a variety of complex tasks associated with the department's business functions. A primary function of the Engineering Technician is to lead the gathering, analysis, and interpretation of data in support of programs the engineering department is responsible for and leading, managing, coordinating the processes and procedures involved in efficiently delivering capital projects/programs and the development and support of asset management programs and activities. This position will work directly with management and engineering staff to independently perform these professional level tasks. This is an individual contributor role with no direct reports nor supervisory duties. This position reports to the Engineering Manager.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>Our department consists of engineers, construction inspectors, and administrative staff that work together to execute department deliverables. Administrative staff handle lower-level clerical support, generally supporting the team's daily office needs. Our Engineers handle highly complex technical and professional level tasks. As our work has evolved due to the ever-increasing requirements for formality in the areas of reporting, documentation, project management analytics, processes, record keeping, and metrics, we have identified the need for an additional support classification that better aligns with the current needs of our business.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Temporary versus permanent. This is a potential option if the outsourced staff is an integrated resource working on site to ensure they can readily support the team. The downsides are the costs are likely to be higher, and the concern of turnover, flux, and knowledge retention in the staff assigned by such consultant and the resulting re- training and ramp up needed as staffing changes. As a result, this is not seen as a viable long-term option.</p>			

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HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:

This position will ensure that we have the appropriate resources to do the work. Engineering Technicians will shift workload from engineers and managers and allow the engineers and managers to focus on their core areas of responsibility and in doing so will result in timely, efficient, and lower cost execution of the work.

BUSINESS CASE TO ADD THIS POSITION:

Securing an Engineering Technician for our team would ensure that our work is being done by the most appropriately qualified and compensated staff. This will ensure that our higher paid engineers are focused on their technical, analytical and project management duties to ensure enhanced overall success of our programs. Best management practices indicate work should be performed at the lowest qualified level to meet the desired output. Deploying an Engineering Technician supports this practices and avoids larger output costs per project and program.

Standard Information

ROLE AND RESPONSIBILITIES:

Engineering Technician

PRIMARY ROLE: Responsible for supporting the integration of engineering data into the central database and supporting new services into California American Water territories, both developer funded and acquisitions.

KEY ACCOUNTABILITIES:

- Manage and coordinate project permitting activities.
- Write Projects in Powerplan in accordance with accounting best practices. Close projects and complete PowerPlan as-builts at project completion.
- Manage the collection of asset data at the completion of projects; incorporate into engineering information portal.
- Develop the reporting and documentation needed for Advice Letter filings in coordination with Rates Team.
- Manage the updating of projects status in Powerplan and monitor alerts to resolution.
- Manage vendor database, documentation of performance and coordination of onboarding new vendors.
- Manage a lessons learned list develop, actions, follow through.
- Prepare department PowerPoint presentations for a variety of internal needs.
- Ensure that as-builts are complete and archived.
- Work with Asset Management with data request.
- Guide and direct developers, their engineers, and contractors throughout the district's process for Developer Installed Water Main Extensions to ensure they complete each step of the process correctly and it is properly documented in the district's records.
- Review and provide written comments on submittals from the developer and/or their engineer at various stages of the process (often involving multiple iterations) to ensure the needs of the district are met and compliance with its standards and specifications. This may include a conceptual plan, master plan, preliminary plan/plat, site plan, utility plan, final construction plan, final plat, etc.

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- Throughout the project, coordinate with applicable municipal and county planning and engineering department by providing comments as projects progress through their respective review processes. Representing the District at municipal and/or county plan review meetings and/or planning commission meetings. This may also include communication with municipal and private utilities (i.e., natural gas, electric, telecom, etc.), Fire Marshals, Building Codes, etc.
- Coordinate the collection of applicable design and inspection fees and execution of applicable agreements with the developer.
- Provide support services to Engineer and/or Engineering Manager for activities including planning functions, design, facility layout, cost estimates and/or basic engineering calculations. Assist on capital and maintenance projects, including preparation of contract documents, drawings, and specifications. Prepare and maintain files, records, drawings, reports, budgets, and other data related to engineering projects. Provide a full range of drawing production work including design and exhibits. Maintain CAD workstations, directories, and archives. Perform field surveys to obtain measurements and/or stake easements and perform field inspections to ensure standards are met and proper records are kept. Manage projects of limited scope or portions of larger scope projects under the supervision of the Engineering Manager. Correspond with other entities regarding the status of company facilities relative to their proposed improvements. Design subdivision layouts, including reviewing property records and location of mains.

EDUCATION: Bachelor's degree in a science related field; or Associate degree in Engineering or Engineering Technology.

KNOWLEDGE:

- Ability to create reports/dashboards and provide analysis and recommendations.
- Knowledge using software systems for data and/or project management and analysis with a demonstrated troubleshooting and problem-solving ability.
- Mastery level computer skills in a Microsoft Windows environment including Word, Excel, Access, Microsoft Project, and PowerPoint.
- Excellent interpersonal and communications skills, with ability to flex from detailed, lower-level content to executive level summary information.

EXPERIENCE: 5+ years prior job-related experience. Utilities experience preferred. SAP, PowerPlan and MapCall experience preferred.

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Basic Information			
POSITION TITLE:	Engineering Manager - Regulatory Compliance/Statewide Programs	HIRED?	No
DISTRICT/DEPARTMENT:	Engineering	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS): The Regulatory Manager coordinates activities and leads engineering related activities to rate cases, CPUC matters, other state/federal regulations, grants, and internal and regulatory reporting and compliance. This position collaborates with engineering managers, engineering planners, and capital administration.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS): Ensure efficient, coordinated, and a single point of contact for regulatory matters for the engineering department. Currently these responsibilities are scattered across the engineering team without a single point of contact (SPOC)/responsibility for these activities, which leads to a lack of coordination, risks, and potential gaps in compliance or reporting requirements.</p> <p>ALTERNATIVES CONSIDERED: Do nothing.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS: This position provides coordination and regulatory compliance of critical process that are necessary and will provide customers with efficiency for these tasks while freeing up our staff to focus on their core tasks and responsibilities.</p>			
Standard Information			
<p>ROLE AND RESPONSIBILITIES: Engineering Regulatory Manager</p> <p>PRIMARY ROLE: Reporting to the Capital Program and Asset Planning Manager and/or Director of Engineering, this position is responsible for coordinating all activities concerned with the engineering department's portion of the general rate case submittals and other public utility requests , applying for grants and tracking all awarded grants, and managing programs with significant impact to Company objectives related to Production, Networks, and/or other water resource or operations systems. General focus on NRW, Water Loss, Master Meter Initiative, etc.,.</p> <p>KEY ACCOUNTABILITIES: Creating, monitoring and managing the engineering schedule for the districts triennial rate case submittal. Driving efficiency, accuracy and timeliness into regulatory process of regulatory and capital programs through the coordination, managing, monitoring of regulatory requirements and compliance.</p>			

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Interacts with Regulators and internal functional teams to ensure execution, compliance and delivery of commitments and compliance with regulations, orders, agreements, etc.

EDUCATION: Bachelor's Degree in Engineering, Management, Government, Economics or related field.

CERTIFICATIONS & LICENSES:

None.

KNOWLEDGE:

- General knowledge and experience with managing Government Regulation/Policy, Water Utilities and coordinating with team members to achieve compliance.
- Experience with city, county, state and federal regulations.

SKILLS:

- Strong project management skills (e.g., planning, organizing, directing, monitoring, and reporting on activities).
- Ability to effectively collaborate with colleagues, governmental agencies, consultants, and the general public.
- Project planning skills. Good verbal and written communication skills (e.g., presentation, listening, report writing).
- Strong interpersonal skills (tact/diplomacy, persuasion, cooperation, and ability to motivate others)
- Computer literacy. Competent in the use of word processing, spreadsheet, flow-charting, project scheduling.
- Financial analysis skill, including budget management and basic accounting knowledge.

EXPERIENCE: Minimum 7 years' experience in areas described above.

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Basic Information			
POSITION TITLE:	Director of Compliance	HIRED?	No
DISTRICT/DEPARTMENT:	Compliance/Legal	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>Understanding, tracking and complying with the laws, regulations and internal policies applicable to California American Water is increasingly complex. At a time of increasing legal and regulatory requirements, California American Water relies on a patch work of employees in the legal, operations and engineering departments to monitor compliance activities. Adding the role of Director of Compliance will allow for California American Water's compliance programs to be cohesively analyzed and reviewed, provide needed support to the business, and directly contribute accurate and timely compliance activities.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>The Director of Compliance will oversee the California American Water's compliance with applicable laws and regulations and work closely with California American Water's operations, engineering, water quality and safety teams. The Director of Compliance track, analyze, and interpret laws and regulations that impact California American Water and will identify risk mitigation strategies.</p> <p>The Director of Compliance will further support development and implementation of compliance monitoring systems and processes and be responsible for strategic planning and day-to-day implementation of California American Water's compliance program. This position will also provide direct compliance support when inquiries are received from regulatory agencies or outside auditors.</p> <p>The Director of Compliance will work closely with California American Water's legal and operations teams as well as other business functions.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>California American Water currently relies on employees in legal, operations, engineering, water quality and safety to dedicate a portion of their time to understanding and tracking compliance activities. This draws significantly on their time and diverts them from completing the critical tasks they are specially qualified and compensated to perform. This also creates a significant gap in terms of maintaining a comprehensive compliance program to support the company's needs. At the same time, the number of laws, regulations and policies that effect California American Water is constantly increasing.</p> <p>A compliance director focused only on compliance will allow California American Water to create a more comprehensive compliance program and free up employees currently dedicating time to compliance monitoring and tracking to do the jobs they were hired to accomplish. The position will be able to provide needed support to the business to analyze compliance obligations and further ensure compliance.</p> <p>ALTERNATIVES CONSIDERED:</p>			

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Outsourcing. California American Water uses several law firms for its corporate and regulatory needs. Asking outside counsel to undertake the work to become familiar with all of the company's compliance activities, implement the company's compliance program, undertake risk management activities, and analyze compliance obligations to support the company's needs would be very costly. Additionally, maintaining a comprehensive compliance program is a full-time job, and it is unlikely any outside attorney could dedicate sufficient time to the program, particularly without exorbitant cost to the company.

HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:

This position provides value to customers by supporting timely and accurate implementation of California American Water's compliance obligations. This position will support the company by interpreting and disseminating information on compliance obligations, as well as implementing and maintaining a rigorous compliance program; this enhances the company's ability to provide safe and reliable service.

BUSINESS CASE TO ADD THIS POSITION:

Maintaining a comprehensive compliance program is critical to any regulated utility. The work performed by the Director of Compliance impacts both the business and California American Water's customers. Creating a position to oversee all of California American Water's compliance obligations will make the company's compliance programs stronger and help to avoid missed obligations.

Standard Information

ROLE AND RESPONSIBILITIES:

Director, Compliance

Primary Role: The Director of Compliance is responsible for the day-to-day implementation and performance of California American Water's compliance program and overseeing compliance with applicable laws and regulations. The individual will also be responsible for strategic planning around the compliance program.

Key Accountabilities

- Leading the creations and maintenance of a comprehensive inventory of the Company's compliance obligations with a focus on ensuring compliance with applicable laws and regulations and California American Water policy and practices.
- Helping to identify risk mitigation strategies.
- Coordinating and/or performing audits/reviews to test compliance with applicable laws, regulations, and California American Water policy and practices.
- Assisting in the development of corrective action plans when the area of opportunity are identified in audits/review.
- Coordinating with the Compliance & Ethics Department to develop and deliver training to California American Water on key compliance requirements.
- Coordinating with the Compliance & Ethics Department to design, develop, and implement strategies, processes and tactics focused on ensuring California American Water's compliance with laws and regulations, as well as California American Water policies, practices and procedures.

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- Continuously coordinating with the subject matter experts responsible for conducting compliance activities within the California American Water, to facilitate monitoring of compliance.
- Providing compliance support for inquiries received from regulatory agencies, outside audit agencies as well as, questions and inquiries from California American Water personnel.
- Tracking, analyzing and interpreting changes to laws and regulations that impact California American Water.

Knowledge/Skills

- Solid knowledge of compliance processes and programs
- Knowledge of utility operations, policies and business activities
- Strong skills in building internal and external relationships
- Ability to work collaboratively to achieve business goals
- Effective verbal and written communication skills
- Ability to influence across organization to drive compliance activities
- Focused attention to details and highly organized

Experience/Education

- Bachelor's degree.
- Minimum 10 years' related compliance experience; or J.D. with 5 years' compliance experience.
- Proven track record of maintaining compliance efforts within a regulatory environment.
- Compliance professional certification preferred.

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Basic Information			
POSITION TITLE:	Operator	HIRED?	No
DISTRICT/DEPARTMENT:	Southern Division (Ventura – Warring acquisition)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Union – UWUA, Local 508A
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>The pending acquisition of the Warring Water Service Company by California American Water’s Ventura district will add 4 additional production sources and approximately 2,100 customers through an additional 530 plus customer service connections. With the addition of these production sources, and customer connections, it is vital that California American Water obtain an Operator role/position to assist with production related operation tasks, system maintenance activities, and customer service. The operator position will be critical for operations, as this role is slated to be filled by former Warring staff. This role will also be key to transitioning ownership, providing operational cross training, and overall system and maintenance knowledge to existing California American Water staff. This role will also aid existing California American Water staff by providing an additional operator to assist with other operations task as necessary, such as customer service, new and existing system maintenance, and after-hours emergency response.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>Under the supervision of the Operations Supervisor, the Operator will be primarily responsible for production related tasks as they pertain to the 4 new production sources obtained with the Warring acquisition, as well as existing production facilities and reservoirs within the Ventura service areas. This role will also provide additional support for existing California American Water staff by providing Warring system knowledge for a better operational transition of ownership. Additionally, the operator will also provide additional support to the business by being available for after-hours emergency callouts. The Operator role does not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>California American Water’s Ventura operations require an additional Operator role to support the operation of the Warring acquisition and newly acquired production sources, in addition to assisting with existing Ventura production system needs. There are currently 2 operators within California American Water’s Ventura Operations. The addition of four new production sources with the Warring acquisition will be challenging for the existing 2 staff members due to location of the Warring facilities and drive times, as well as staffing vacations, outages, etc. This additional Operator role will provide needed coverage to ensure there is adequate staffing for Ventura operations. Additionally, this Operator role, anticipated to be filled by former Warring staff, will allow for better integration of the Warring system through knowledge sharing. This role will also enable California American Water to better meet the needs of an additional 2,100 customers being brought on by the Warring acquisition.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Alternatives to the Operator position considered were temporary workers or outside contractors. Constraints with temporary workers or contractors included lack of operational knowledge of the Warring system, and a potential lack of required experience /certifications, thus putting the existing and newly acquired systems at risk for meeting regulatory compliance. Additionally, outside</p>			

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contractors or temp workers would add considerably more cost than the addition of a regular position(s). Upon review, it was determined the addition of Operator position would provide the best support for system integration, meeting regulatory requirements and compliance, as well as customer service purposes.

HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:

The Operator position adds value to customers by providing the necessary overview of the Warring system during integration, resulting in less operational challenges as the system transitions ownership to California American Water, and subsequently a better customer experience. The Operator role will work to maintain compliance with regulated mandates and through those efforts provides safe reliable water service to the California American Water service areas. Additionally, the Operator role also provides value to customers through an increased customer service response for the additional 530 plus service connections that are slated to be obtained during the Warring acquisition. The role will also support existing California American Water systems. The Operator role will also enable more work to be performed during working hours, and there is potential for reduction in overtime labor costs. Additionally, this role will also respond to after-hours emergencies, providing better response times to water system needs, and overall better customer service.

BUSINESS CASE TO ADD THIS POSITION:

There would be potential cost savings from the addition of the Operator role as it would lend to less operational challenges as the Warring System transitioned over to California American Water ownership. This role would provide additional institutional knowledge of former Warring operational and past system maintenance practices. The Operator would also support the operation and maintenance of the newly acquired system, 4 new production sources, as well as supporting existing California American Water systems in the Ventura service area. Additionally, this role would support additional work completion during scheduled hours versus overtime hours, and provide additional coverage and response for emergency work.

Standard Information

ROLE AND RESPONSIBILITIES:

Pump Operator

JOB FUNCTIONS

- Performs activities related to water system maintenance, disinfecting, water quality, water supply and production.
- Analyzes and evaluates equipment, troubleshooting malfunctions, and monitoring water supply operations for all water systems within the district.
- Complies with all safety standards as they pertain to equipment and facility operations.
- Accomplish assigned duties using safe work practices. Demonstrates a working knowledge and understanding of all safety practices for handling day, liquid, and gaseous chemicals and electrical equipment.
- Maintains operating logs, changes charts, makes appropriate readings and keeps records as directed. Oils and cleans pumps and similar equipment.
- Knowledge of distribution functions.
- Must have familiarity with and knowledge of system operations, control settings, and plant operations.

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- Inspect and maintain energized electrical and SCADA equipment and company facilities.
- Coordinate work with contractors, engineers, and other entities.
- Follows established policies and procedures in conducting service, installation, and repair of equipment to ensure proper working order.
- Does other similar work as called upon to perform, and any other work as necessary.
- Works under the supervision of the operations supervisor.
- Required to take after hours call. (After completion of a training period that will be determined by management)

EQUIPMENT USED:

- Small hand tools and any other tools necessary to complete the job.
- Electrical testing equipment
- Drives a company vehicle.

MINIMUM QUALIFICATIONS:

- High school diploma or equivalent.
- Valid California Driver's license.
- SWRCB, Grade I Water Distribution certification or SWRCB Grade I Treatment certification.
- Maintain state and company mandated certifications as required.
- Minimum two (2) years water production experience, for external candidates.
- Demonstrated knowledge, skill and experience with water supply, water quality, water systems maintenance, processes, including disinfection, pump/plant maintenance, and lubrication.
- May include but not limited to standing, climbing, walking, lifting, bending, pulling and/or pushing, grasping, reaching, stooping, and crouching, sitting, typing, walking, reading, writing, color determination, speaking and listening for extended periods of time.
- Must be able to frequently lift and/or move up to 50 pounds and occasionally lift and/or move more than 100 pounds.

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Basic Information			
POSITION TITLE:	Laborer	HIRED?	No
DISTRICT/DEPARTMENT:	Southern Division (Ventura)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Union – UWUA, Local 508A
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>The Laborer position is critical to California American Water to provide operational and customer support with meter reading for customer billing, and meter replacements, the completion of required regulatory water system maintenance, such as scheduled hydrant painting and testing, as well as valve maintenance and a variety of operational tasks. This role will also aid existing operational staff by providing an additional laborer to perform needed tasks related to trenching, basic construction work, and assist with emergency response. This role is vital to California American Water’s Ventura operations, as the completion of scheduled maintenance has been a challenge due to staffing outages, and lack of adequate back-up personnel. Additionally, the Ventura operations has had to utilize the assistance of contractors in efforts to complete basic maintenance tasks. This role will enable California American Water to rely on in-house personnel for maintenance and other operational tasks.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>Under the supervision of the Operations Supervisor the Laborer role is responsible primarily for meter reading and routine maintenance on valves and hydrants, painting, the loading and unloading of pipes and equipment, digging of trenches, and other operations related duties as required. Additionally, Laborers provide additional operational support to the business by being available for after-hours emergency callouts. The Laborer role does not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>California American Water’s Ventura operations has experienced challenges in completing required water system maintenance as a result of staffing challenges resulting from illness, vacations, and leaves of absence. The addition of a Laborer will enable Ventura to better complete regulatory maintenance tasks, as well as perform meter reading, and provide additional coverage and support to existing operational field staff.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Outside contractors have been utilized to fill this personnel deficiency in the past, however these contractors cost substantially more than the addition of a regular position.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:</p> <p>This position adds value to customers by ensuring the timely reading of meters and proper meter replacement. This role also will aid in the completion of required maintenance of the water system, including work for meter changes, and exercising hydrants, which can lower operational costs in the long run. Additionally, this role provides additional support to existing operations for other related operational tasks, lending to less overtime and more completion of work during scheduled working hours. This role would also support the reduction of contractors for meter reading.</p>			

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BUSINESS CASE TO ADD THIS POSITION:

There would be potential cost savings from the addition of the Laborer role as it would lend to reduced outsourcing of work and utilization of contractors to complete meter reading and basic water system maintenance. Additionally, this role would support additional work completion during scheduled hours versus overtime hours and would support long term savings by enabling more uniform water system maintenance.

Standard Information

ROLE AND RESPONSIBILITIES:

Laborer

PRIMARY ROLE: Read customer meters and perform various other functions related to customer billing and collections.

KEY ACCOUNTABILITIES

- Utilizing the electronic customer database and meter reading systems, load hand- meter reading equipment, accurately read customer meters and transmit the reads for billing. (70%)
- Performs routine maintenance on valves, and fire hydrants. Changes water meters. (20%)
- Sets up barricades and traffic cones. Breaks pavement where necessary by use of jackhammer or whatever methods conditions prescribe. Loads and unloads pipes and fittings. Digs trenches by means of shovel, or other methods as conditions prescribe. Repairs water line breaks and/or leaks as required. Places pipes and fittings. Tamps and backfills trenches. Builds rough forms for cement work. Acts as flagman to direct traffic. Sweeps. (5%)
- Performs maintenance and paints. (5%)
- Performs other duties on an as-needed basis.
- Works under the supervision of the operations supervisor.
- Maybe required to take after-hours emergency callouts as per union contract. (After completion of a training period that will be determined by management)

KNOWLEDGE/SKILLS

- Knowledge of equipment used, and of basic computer operating principles.
- Ability to carry out oral and written instructions. Requires normal physical and mechanical ability. Able to lift and stack equipment/materials weighing up to 90 lbs.

EXPERIENCE/EDUCATION

- Previous water industry experience preferable.
- High school diploma or equivalent.

EQUIPMENT USED

- Small hand tools and other tools necessary to complete the job.
- Drives a company vehicle.

LICENSES & CERTIFICATIONS:

- Must possess a valid California Driver's License.
- Water Distribution Certificate Grade 1 or Water Treatment Certificate
- Grade 1 must be obtained within 18 months of hire date.

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Basic Information			
POSITION TITLE:	Operator (3 FTE)	HIRED?	No
DISTRICT/DEPARTMENT:	Northern Division (Bass Lake)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>There is a current application before the CPUC requesting the purchase of Bass Lake Water Company. At minimum, this level of staffing is needed to operate the system. These operators will bring knowledge of the treatment and distribution systems. The current application for purchase contains a request for the same level of full-time operators.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>Under the supervision of the Operations Manager (Hillview location) the Water Systems Operators are responsible for operation and maintenance of water treatment, production, and distribution facilities of the water system. Water Systems Operators will also complete customer service order and meter reading. The Water System Operators do not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>As stated in California American Water's pending application to purchase the assets of Bass Lake Water Company (Bass Lake), California American Water intends to retain three full time operators that are currently employed by Bass Lake. Part of the proposed acquisition of Bass Lake will include acquisition of Bass Lake's surface water treatment plant. The three proposed operators will have the training and knowledge to operate the plant and meet required regulatory mandates.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>California American Water reviewed its current staffing in the area to determine if the operations could be completed by current California American Water staff. This was not deemed as viable due to the current Hillview area operations workload.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:</p> <p>Adding these operators to the California American Water staff benefits California American Water customers because these operators will have existing training on the surface water treatment plant as well as historical operational knowledge. These skills can be used as California American Water looks for further efficiencies that can be gained after acquisition.</p> <p>BUSINESS CASE TO ADD THIS POSITION:</p> <p>There is a current application before the CPUC requesting the purchase of Bass Lake Water Company. At minimum, this level of staffing is needed to operate the system. These operators will bring knowledge of the treatment and distribution systems. The current application for purchase contains a request for the same level of full-time operators.</p>			
Standard Information			

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ROLE AND RESPONSIBILITIES:

Water System Operator

PRIMARY ROLE: Under the supervision of the Operations Supervisor, responsible for operation and maintenance of water treatment, production, and distribution facilities of the water system. Works safely and assures that water system meets compliance requirements through accurate record keeping, sampling, and required maintenance.

KEY ACCOUNTABILITIES: Duties include daily operation and maintenance of water treatment and distribution facilities. The operator performs chemical adjustments and addition as required to ensure treatment meets regulated requirements. Monitors operation of the treatment plant and associated functions, maintains accurate record keeping, and takes water samples. Responsible for responding to customer service orders, investigating customer leaks, repairing, and locating service lines, locating main valves, maintaining fire hydrants, fire hydrant inventory and parts inventory, marking utility mark outs, obtaining bacteriological and other water quality samples, assisting with system flushing, and assisting with water main break repairs or replacement. Customer service duties include investigating customer complaints and inquiries, obtaining billing survey information, meter reading, and initiating and terminating customer water services. Interacts with customers in the field when investigating customer inquiries and/or service leaks. Drives company vehicle. Provides on-call and emergency duty as needed. Maintains record keeping. Special projects and assignments as required.

Other duties consist of:

- Repair/Replace mains
- Repair/Replace service lines
- Repair/Replace meters
- Repair/Replace main valves
- Repair/Replace fire hydrants
- Repair/Replace curb stops
- Adhere to safety regulations
- System flushing
- Obtain bacteriological and other samples
- Accurately documents work in logs and Toughbook Computers

EDUCATION:

- This position requires a high school diploma, GED, or equivalent.
- The position requires a valid California Class C Driver's license with minimal moving violations.
- Requires ability to communicate verbally and in writing with internal and external customers as well as the ability to accurately read and record meter readings and other related information and perform basic mathematical calculations.

KNOWLEDGE/SKILLS:

- Basic knowledge of water system construction, distribution, or plumbing background is desirable.
- Water Treatment Operator and Distribution Operator certification is desirable.

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- Requires ability to communicate verbally and in writing with internal and external customers as well as the ability to accurately read and record meter readings and other related information and perform basic mathematical calculations.

LICENSES & CERTIFICATIONS:

- Water System Operator I require a T1 Water Treatment Certification and D1 Distribution Certification within one year of hire.
- Candidates with skills and experience matching the roles that are not currently T1, D1 certified may be considered for the position, if agreeable to the requirement aforementioned.
- The position requires a valid California Class C Driver's license with minimal moving violations.

WORK ENVIRONMENT:

- Requires daily walking and/or climbing on varied terrain. May require bending, stooping, kneeling, and digging with equipment.
- Lifting up to 50 pounds unaided may be required.
- Approximately 20 – 30% of the position is sedentary, either in the office or in a company vehicle.
- May require the physical ability to perform labor-intensive activities such as digging, moving equipment, and working long hours in emergency situations.
- Position has potential exposure to hazardous chemicals and requires use of appropriate safety equipment.
- A substantial portion of the work is done outside with exposure to the elements, some potential exposure to poison oak insects, reptiles, spiders, and animals.
- May require working in trenches, tanks and/or elevated areas.
- Position requires the ability to work with little direct on-site supervision.
- Team project work may be required.

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Basic Information			
POSITION TITLE:	Operator	HIRED?	No
DISTRICT/DEPARTMENT:	Northern Division (Hillview)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION: The Water System Operator is needed for completion of regular maintenance plan work while supporting customer requested work, emergency work, and routine system rounds. The Hillview system contains four PWSIDs over a large geographical area. Supporting the regulatory needs and recognizing employee health and safety also justify the position.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS): Under the supervision of the Operations Manager (Hillview location) the Water Systems Operators are responsible for operation and maintenance of water treatment, production, and distribution facilities of the water system. Water Systems Operators will also complete customer service order and meter reading. The Water System Operators do not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS): Completion of regular maintenance plan work while supporting customer requested work, emergency work, and routine system rounds requires the additional Water System Operator. Two temporary Water System Operators that were former Hillview Water Co. employees ended their terms with the company at the end of 2021.</p> <p>ALTERNATIVES CONSIDERED: Review of current staffing, including the two temporary Water Operators, was completed in the area. Reviewing the workload needs it was determined that only one of the temporary positions is needed currently to support the existing staff.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS: Adding an operator to the CAW staff is of benefit to the customers of CAW as they will provide additional hours to complete routine maintenance tasks and support customer created work orders. Existing staff in the area was affected at times by absences due to the pandemic. Having this additional Water System Operator allows for work to be completed that will add efficiencies to the operations in future years.</p> <p>BUSINESS CASE TO ADD THIS POSITION: The system is currently employees four full time employees. At minimum, this level of staffing is needed to continue to operate the system. However, long-term continuation of the current staffing levels could lead to accident or injury of employees or regulatory errors caused by fatigue due to employee inability to schedule off work time; and the Company respectfully requests the addition of the Water Systems Operators.</p>			

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Standard Information

ROLE AND RESPONSIBILITIES:

Water System Operator

PRIMARY ROLE: Under the supervision of the Operations Supervisor, responsible for operation and maintenance of water treatment, production, and distribution facilities of the water system. Works safely and assures that water system meets compliance requirements through accurate record keeping, sampling, and required maintenance.

KEY ACCOUNTABILITIES: Duties include daily operation and maintenance of water treatment and distribution facilities. The operator performs chemical adjustments and addition as required to ensure treatment meets regulated requirements. Monitors operation of the treatment plant and associated functions, maintains accurate record keeping, and takes water samples. Responsible for responding to customer service orders, investigating customer leaks, repairing, and locating service lines, locating main valves, maintaining fire hydrants, fire hydrant inventory and parts inventory, marking utility mark outs, obtaining bacteriological and other water quality samples, assisting with system flushing, and assisting with water main break repairs or replacement. Customer service duties include investigating customer complaints and inquiries, obtaining billing survey information, meter reading, and initiating and terminating customer water services. Interacts with customers in the field when investigating customer inquiries and/or service leaks. Drives company vehicle. Provides on-call and emergency duty as needed. Maintains record keeping. Special projects and assignments as required.

Other duties consist of:

- Repair/Replace mains
- Repair/Replace service lines
- Repair/Replace meters
- Repair/Replace main valves
- Repair/Replace fire hydrants
- Repair/Replace curb stops
- Adhere to safety regulations
- System flushing
- Obtain bacteriological and other samples
- Accurately documents work in logs and Toughbook Computers

EDUCATION:

- This position requires a high school diploma, GED, or equivalent.
- The position requires a valid California Class C Driver's license with minimal moving violations.
- Requires ability to communicate verbally and in writing with internal and external customers as well as the ability to accurately read and record meter readings and other related information and perform basic mathematical calculations.

KNOWLEDGE/SKILLS:

- Basic knowledge of water system construction, distribution, or plumbing background is desirable.
- Water Treatment Operator and Distribution Operator certification is desirable.

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- Requires ability to communicate verbally and in writing with internal and external customers as well as the ability to accurately read and record meter readings and other related information and perform basic mathematical calculations.

LICENSES & CERTIFICATIONS:

- Water System Operator I require a T1 Water Treatment Certification and D1 Distribution Certification within one year of hire.
- Candidates with skills and experience matching the roles that are not currently T1, D1 certified may be considered for the position, if agreeable to the requirement aforementioned.
- The position requires a valid California Class C Driver's license with minimal moving violations.

WORK ENVIRONMENT:

- Requires daily walking and/or climbing on varied terrain. May require bending, stooping, kneeling, and digging with equipment.
- Lifting up to 50 pounds unaided may be required.
- Approximately 20 – 30% of the position is sedentary, either in the office or in a company vehicle.
- May require the physical ability to perform labor-intensive activities such as digging, moving equipment, and working long hours in emergency situations.
- Position has potential exposure to hazardous chemicals and requires use of appropriate safety equipment.
- A substantial portion of the work is done outside with exposure to the elements, some potential exposure to poison oak insects, reptiles, spiders, and animals.
- May require working in trenches, tanks and/or elevated areas.
- Position requires the ability to work with little direct on-site supervision.
- Team project work may be required.

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Basic Information			
POSITION TITLE:	Business Support Specialist	HIRED?	No
DISTRICT/DEPARTMENT:	Customer Service	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Non-Union
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>The Business Support Specialist position is needed to assist the Customer Advocacy Team in efficiently handling escalated customer complaints and inquiries, providing customer case management resolution and providing pro-active outreach to customers with unusual high usage, Customer Assistance Program enrollment, myWater troubleshooting and general billing and customer issue support.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS): This position would report to the Sr Supervisor Operations and would be part of the Customer Advocacy Team ("CAT") that currently consists of two Business Support Specialists. Currently the two team members support all of CA American Water's service areas. Adding a third member would allow a separation of support by region and would allow further enhancements to additional customer Service Request types that are currently not directly monitored by CAT.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS): California American Water has made significant improvements in Customer Satisfaction scores since the implementation of the CAT team. The CAT team's initiatives on certain Customer Service Request types such as high bill/leak investigation inquiries have led to high satisfaction score levels not seen previously. In the first 3 months of 2022, the Customer Satisfaction scores on these High Bill/Leak investigation service orders have been at 100% Company-wide -meaning that all customers surveyed about their experience with CA American Water regarding high bills or leaks have been either "extremely satisfied" or "very satisfied" with the outcome of their interaction with CA American Water. This additional position would allow for an expansion of this level of customer care to other critical service order types to further improve the customer experience with CA American Water.</p> <p>ALTERNATIVES CONSIDERED: A review of staffing was conducted and it was concluded that this additional position would provide the appropriate support desired by CA American Water. The proposed tasks cannot be completed by existing staff.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS: This position will have a direct impact on improving response times to customer inquiries and complaints, response time to complaint resolution and will allow pro-active and timely outreach to customers should issues occur – such as leaks on customer's properties leading to high bills.</p> <p>BUSINESS CASE TO ADD THIS POSITION: Customers have come to expect high levels of service and short response times regardless of who they interact with – their water utility, insurance company or credit card issuer. High levels of</p>			

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customer service establish trust, reduce costly disputes and complaints and and create customer understanding for unpopular measures such as watering restrictions during droughts or emergencies, for example. All of which ultimately will save costs to both the Company and the customers.

Standard Information

ROLE AND RESPONSIBILITIES:

Business Support Specialist

Primary Role

This Administrative Assistant (Business Support Specialist) provides functional, administrative, analytical and/or technical support to a department or functional area. The percentage of time spent performing the key accountabilities of the job may vary based on the manager's, departmental or functional unit needs. This role may assist with fleet management, vehicle repairs and facility maintenance.

Key Accountabilities

- Uses and maintains business systems and other reporting tools to enter, compile, calculate, track, reconcile, report and clean-up data pertaining to various processes which may include, but are not limited to, departmental operations, time and labor, capital programs, field projects, work orders, regulatory compliance and employee records.
- Analyzes and evaluates data and/or prepare variances related to specific department work processes, which may include but are not limited to business processes, regulatory requirements, budgets, capital expenditures, work orders, departmental and/or organizational performance, etc.
- Performs activities to monitor and maintain inventory control, evaluates inventory levels and reorders as necessary.
- May perform receiving, stocking, distributing, and packing in addition to inventory control.
- Maintains inventory records and prepares reports.
- May work with vendors to resolve routine supply and distribution discrepancies.
- Provides general administrative support for day-to-day managerial and departmental needs and special projects which may include but are not limited to composing routine correspondence, obtaining permits, preparing and distributing meeting minutes, handling travel arrangements, p-card/ purchasing, document preparation, special events, etc.
- Serves as a first level resource for various departmental or functional issues which may be related to customer service, operational excellence, regulatory compliance, etc. Answers routine questions and assists in recognizing and troubleshooting larger problems.
- Work collaboratively with other functions to optimize business performance and customer satisfaction.
- Reinforce leadership activities and decisions.
- Contribute to effective communication and culture by listening and providing feedback, supporting an open and honest work environment and cascading and sharing knowledge and information relevant to employees.
- Assist with training and development, knowledge transfer, instilling safe work practices, regulatory and environmental compliance activities

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Knowledge/Skills

- Demonstrated organizational ability and administrative skills.
- Effective communication skills, both verbal and written.
- Demonstrated ability to manage and prioritize tasks.
- Effective problem solving and analytical ability.
- Knowledge of relevant departmental processes, safety practices and applicable regulations.
- Thorough understanding of standard business practices and principles, including basic accounting and budgeting.
- Strong knowledge of computers, in-depth knowledge of Microsoft office suite applications and other pertinent software.
- Understanding of collective bargaining agreements (if applicable)

Experience/Education

- Minimum 2 years relevant functional work experience
- Relevant state license(s) may be required or preferred
- Driver's license required High school diploma or equivalency required.
- Associates level degree in related field preferred.

ATTACHMENT B

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sacramentoBasic Information			
POSITION TITLE:	Utility Worker I (2 FTE)	HIRED?	Yes
DISTRICT/DEPARTMENT:	Southern Division (Los Angeles – East Pasadena)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Union – UWUA, Local 508
Business Need for Position			
<p>DETAILED JUSTIFICATION: California American Water acquired East Pasadena Water Company in September of 2021. The East Pasadena system has approximately over 3,000 customer connections. The Utility Worker I position is critical for operations with respect to integrating basic East Pasadena system operational knowledge, history of maintenance, as well as locations of distribution mains, services, valves, hydrants, meters, and related assets. The addition of Utility Worker I position(s) are vital to successfully supporting additional customer count and retaining existing qualified East Pasadena staff has been key to transitioning ownership and ongoing maintenance of the East Pasadena system to California American Water.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS): Under the supervision of the Distribution Supervisor the Utility Worker is responsible for operation and maintenance of the distribution system. Utility Workers also perform basic customer support activities, locate mains and service lines, replace meters, perform corrective and preventative maintenance on the distribution system and related assets, and notify customers of scheduled and emergency outages. Utility Workers do not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS): The Utility Worker I positions are needed to complete day to day operations including distribution system maintenance and repairs, meter reading, and customer service orders. In addition, the Utility Worker I roles, filled by former East Pasadena staff, enabled better integration of East Pasadena customer and operational information which assisted California American Water in meeting customer needs for an additional 3,000 customer connections.</p> <p>ALTERNATIVES CONSIDERED: Alternatives to the Utility Worker I position considered were temporary workers or outside contractors. Constraints with temporary workers or contractors included lack of previous knowledge of East Pasadena system operations, and lack of required distribution experience /certifications, thus putting the existing and newly acquired systems at risk for meeting regulatory compliance. Additionally, outside contractors or temp workers would add considerably more cost than the addition of a regular position(s). Upon review, it was determined the addition of Utility Worker 1 positions would provide the best operational support for meeting regulatory requirements and compliance, as well as customer service purposes.</p> <p>HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS: The Utility Worker I position adds value to customers by providing the necessary overview of the distribution systems, as well as meter reading and customer service order competition. The Utility Worker I role works to maintain compliance with regulated mandates and through those efforts provides safe reliable water service to the California American Water service areas. Additionally, the Utility Worker I role also provides value to customers through an increased customer service response</p>			

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for the additional 3,000 connections obtained during the East Pasadena acquisition, the integration of East Pasadena operational knowledge and expertise resulting in greater operational efficiency; by aiding with timely completion of scheduled meter changeouts and distribution system maintenance, as well as providing support for existing California American Water systems giving the opportunity to lessen overtime hours with additional personnel for emergency response.

BUSINESS CASE TO ADD THIS POSITION:

The East Pasadena System has been an addition to existing California American Water systems since September of 2021. Due to 3,000 additional connections, the addition of 2 Utility Worker 1 positions, filled by personnel from the previous East Pasadena Water Company, have been vital to providing the additional support needed integrate knowledge of East Pasadena Operational practices into California American Water Operations. The Utility Worker I positions have also allowed for additional operational support for other service areas within the district areas, including additional personnel for customer service, distribution system maintenance and repair, and emergency response.

Standard Information

ROLE AND RESPONSIBILITIES:

Utility Worker I

Primary role: Construct, operate and maintain a water distribution system.

Job Duties

- Performs basic customer support activities involving the service, installation, modification and repair of water distribution equipment and systems.
- Locates main and service lines; installs, repairs and replaces mains and water meters.
- Performs corrective maintenance, including leak repairs, on water distribution facilities.
- Performs routine preventive maintenance on valves and hydrants.
- Tests equipment and notes working order.
- Notifies customers of scheduled and emergency outages.
- May operate heavy machinery, including dump truck and backhoe.
- Awareness of production functions.
- Follows established policies and procedures in conducting service, installation and repair of equipment to ensure proper worker order.
- New Utility Workers are required to take after-hours call. Existing workers may be required to take after-hours call based on seniority per union contract.
- Does other similar work as called upon to perform, and any other work as necessary.

Supervision

Position reports to the Distribution Supervisor. Guidance also provided by Distribution Foreman.

Equipment used

- Shovels, jackhammer, picks, digging bars, clay spade, wrenches, various other hand tools and any other tools necessary to complete job.
- Drives a company vehicle.

Required Education, Experience and Abilities

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- High school education or equivalent.
- Ability to carry out oral and written instructions.
- Knowledge of basic equipment and materials used.
- Requires normal physical and mechanical ability.
- Must be able to frequently lift and/or move up to 50 pounds and occasionally lift and/or move more than 100 pounds.

Required Certifications, Licenses and Registrations

- Must possess a valid California Driver's License.
- Water Distribution Certification Grade I must be attained within 18 months of hiring.

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Basic Information			
POSITION TITLE:	Customer Service Rep U508	HIRED?	Yes
DISTRICT/DEPARTMENT:	Southern Division (Los Angeles – East Pasadena)	UNION/NON - UNION (IF UNION, PROVIDE BARGAINING UNIT) :	Union – UWUA, Local 508
Business Need for Position			
<p>DETAILED JUSTIFICATION:</p> <p>California American Water acquired East Pasadena Water Company in September of 2021. The East Pasadena system has approximately over 3,000 customer connections. The Customer Service Representative position is critical to providing field-based customer service and support to the additional customer base acquired through the East Pasadena acquisition. Additionally, this role will also serve to provide customer service and support to the existing Los Angeles service areas as needed. The addition of Customer Service Representative role is vital to successfully supporting additional customer count and retaining existing qualified East Pasadena staff within this role has been key to transitioning ownership and the ongoing maintenance of the East Pasadena system to California American Water.</p> <p>BACKGROUND (OVERVIEW OF THE POSITION, DIRECT REPORT, AND SUPERVISION REQUIREMENTS):</p> <p>Under the supervision of the Commercial Supervisor, the Customer Service Representative is responsible for investigating and resolving routine customer complaints such as inquiries about water meters, water pressure, and water appearance. Additionally, Customer Service Representatives are tasked with turning off delinquent accounts, and returning service to customers, and replacing meters, notify customers of scheduled and emergency outages, and provide after-hours emergency support as needed. Customer Service Representatives do not manage other employees.</p> <p>BUSINESS NEED FOR THIS POSITION (WHAT IS NOT GETTING COMPLETED, CHANGE IN OPERATIONS, CHANGE IN REGULATIONS):</p> <p>The Customer Service Representative role is needed to complete day to day operation tasks as they directly relate to field based customer service. These tasks may include, but are not limited to, responding to customer inquiries and complaints, performing meter changes, eliminating, or restoring water service to customers, and providing emergency operational support as needed. In addition, the Customer Service role, filled by former East Pasadena staff, enabled better integration of East Pasadena customer and operational information which assisted California American Water in meeting customer needs for an additional 3,000 customer connections.</p> <p>ALTERNATIVES CONSIDERED:</p> <p>Alternatives to the Customer Service Representative position considered were temporary workers or outside contractors. Constraints with temporary workers or contractors included lack of previous knowledge of East Pasadena system operations, lack of knowledge of existing California American Water systems, and lack of required distribution experience /certifications, thus putting the newly acquired and existing systems at risk for meeting regulatory compliance. Additionally, outside contractors or temp workers would add considerably more cost than the addition of a regular position(s). Upon review, it was determined the addition of a Customer Service Representative 1 position would provide the best operational support for meeting regulatory requirements and compliance, as well as customer service purposes.</p>			

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HOW THIS POSITION PROVIDES VALUE TO CUSTOMERS:

The Customer Service I position adds value to customers through an increased customer service response for the additional 3,000 connections obtained during the East Pasadena acquisition. Additionally, this role, filled by former East Pasadena staff, provides customer and operational knowledge of the previous East Pasadena system to California American Water, resulting in greater operational efficiency. This position aids with the timely completion of scheduled meter changeouts and provides additional support for existing California American Water systems and staff, giving the opportunity to lessen overtime hours for existing personnel.

BUSINESS CASE TO ADD THIS POSITION:

The East Pasadena System has been an addition to existing California American Water systems since September of 2021. Due to 3,000 additional connections, the addition of a Customer Service Representative, filled by personnel from the previous East Pasadena Water Company, has been vital to providing needed customer service support to an increased customer base, as well as to integrate customer information regarding East Pasadena practices into California American Water Operations. The Customer Service Representative role has also allowed for additional operational and customer service support for other service areas within the Los Angeles areas.

Standard Information

ROLE AND RESPONSIBILITIES:

CUSTOMER SERVICE REPRESENTATIVE

Primary Role

Perform various functions related to the servicing of customer accounts.

Key Accountabilities

- Investigates and resolves routine customer complaints such as those relating to defective water meters, leaks, dirty water, pressure, etc. Records information relating to customer contacts and work performed.
- Turns water service on or off to customers and obtains proper meter readings.
- Posts notices of turn-off of delinquent accounts.
- Turns off and restores service on delinquent accounts.
- Installs and changes meters and replaces damaged meter boxes and lids.
- Investigate inquiries from supervisor or customer as necessary.
- Familiar with distribution and production functions.
- As required, assist utility crews in the performance of their duties, including emergencies.
- May be required to take after-hours call based on seniority per union contract.
- Does other similar work as called upon to perform, and any other work as necessary

Experience/Education

- High school education or equivalent.
- Ability to carry out oral and written instructions.
- Knowledge of basic equipment and materials used.
- Must be able to process service orders on Toughbook.
- Requires normal physical and mechanical ability.
- Must be able to frequently lift and/or move up to 50 pounds and occasionally lift and/or move more than 100 pounds.

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Knowledge/Skills

Licensing

- Must possess a valid California Driver's License.
- Water Distribution Certification Grade I must be attained within 18 months of hiring.

Equipment Used

- Small hand tools and any other tools necessary to complete the job.
- Drives a company vehicle.